Featuring the Prairie Province

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The Nation's Business

New Definition of an Old Status

Canadians Slighted Trade

Ontario Business Men Attack Income Tax

Business Head Needed for Pacific Cable

THE Imperial Conference is over. Canada's delegation, headed by the prime minister, Rt. Hon. W. L. M. King, will soon be back, bringing, as the chief scalp on its belt, a new definition of an old status.

Canadian business men cannot help but feel a sense of futility when they review the work of the Imperial Conference and particularly the part played by Canada's Prime Minister in it. No other problems in the Empire to-day approach in importance economic problems, the problem of distributing the Empire's population more evenly and the problem of building up markets within the Empire for the products of the different British nations. These are the Imperial issues of to-day that touch directly every business man in Canada. These were the Imperial problems that received most scant attention by Canada's representatives at the conference.

* * *

SUCH was not the case with Australia's representatives in London. Seized of the practical importance of these issues—issues of men, money and markets,—Premier Bruce discussed them ably and with telling effect. Premier King, for Canada, centered his attention upon intellectual issues and was more concerned with obtaining a new verbiage in which to clothe the definition of a British Dominion than in finding new markets for our products. Nor was the new definition of our nationhood, in itself, of outstanding importance. There is point to the Wall Street Journal's terse remark that "Of the British Empire, it may be said that the more it is changed the more it remains the same thing." But the New York Times describes us now as a "wait and see" empire.

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THE failure of Canada's representatives to carry the viewpoint of business to the conference was due to the lack of practical business representation on the delegation; an authoritative representation of Canadian business interests. Dunning might have been taken along to speak for the producers of Western Canada, Malcolm to speak for the industrial producers of the more industrialized east, and Forke for land settlement schemes. Each would have sought more directly the solution of Canada's problems of getting people, finding markets within the Empire and distributing British capital where it would serve to strengthen the Empire.

But these men or men of their experienced type and authority were sidetracked by our theoretical "intellectual," the prime minister, and this explains the sordid position in which Canada finds itself to day; holding but a shadow of result from a conference that might have been productive of substantial benefit; forced to admit that the trade and commercial needs of Canada were told best by the prime minister of another Dominion, who outlined Canada's position just as much as Australia's, when he spoke.

In this week's article in his series on the results of the Imperial Conference, H. T. Hunter discusses this phase of his subject at considerable length. Elsewhere in this issue, the speeches of Premier King and Premier Bruce, delivered at the Imperial Conference on the day that economic questions were to the fore, are published. It only needs a parallel reading of the two addresses to see how much better Bruce told the story than King.

It is significant that the Liberal Toronto Globe expresses keen disappointment with the results of the conference and is not at all convinced of the importance of the "new" status.

* * *

THE late Prime Minister, Rt. Hon. Arthur Meighen, has probably the greatest intellect of any man we have had in Canadian public life. We have had no man who stood higher in public respect because of his many splendid qualities. But he failed badly. He failed, as all "intellectuals" must fail because they do not mix with and understand the sentiments and wishes of the masses. And because they have not a capacity for doing things and getting things done, The Financial Post, along with many of Mr. Meighen's admirers, told him that the people of Canada wanted reduced taxation and good government. He would have none of it. He could not see that this was what the people wanted. Last week the Associated Boards of Trade, representing the whole of the Conservative province of Ontario adopted resolutions virtually endorsing the Liberal financial leader, Hon. James Robb, and asking for more Robb budgets. All

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NEW $8,000,000 GIANT HOTEL FOR TORONTO

Strong Interests Back 1,000 Room Hostelry for Queen City

VOTE NOT FACTOR

Whether Ontario Votes for O.T.A. or Government Liquor Control, Structure Will Rise

From Our Own Correspondent.

NEW YORK.—Whether Ontario votes for continuance of its present temperance act or steps into the government liquor control column on December 1, Toronto is definitely assured of a new hotel, declared by business men of that city to be a necessity. One of the largest business institutions in Canada, working with Toronto interests has decided to erect a 1 000 room hotel, to cost over $8,000,000, in Toronto, and your correspondent learns that the first mortgage bond issue has already been placed with a New York syndicate and will shortly be offered for sale. The syndicate is headed by the Equitable Trust Company and Edmund Seymour & Company.

The names of the interests behind the project for the new hotel are not being made public now. The banking syndicate is withholding this information as it is not desired by the promoters to seem to make any announcement that might be construed as being made for political purposes, just prior to Ontario's vote on the government control of liquor sale. However, the hotel will be built, whichever way Ontario votes.

The site chosen for the hotel is, according to the information secured, on Front Street. It will be connected with the new Union Station by a tunnel.

Not First Time Hotel Discussed

There have been many rumors of new hotels in Toronto, and various plans have been brought forward for their erection. None, however, have been brought to fruition, chiefly because of the lack of backing by an organization large enough to carry the project through. One Toronto group has made many promises of building a new hotel for the city but its activities seem to have been centred on bringing forward their announcements whenever anyone else made a similar announcement, thus frightening away the original promoters, and reserving the field for themselves for future expansion without ever having done anything.

Resources of the group behind the present project seem to assure its completion.

National Grocers Earnings Better

National Grocers earnings are understood to be on a higher plane during the current fiscal year than in the last. While actual profits are declared not to be on a greatly increased scale, the company has the advantage of not having to write off large sums to take care of inventory losses. Last year, the company had to wipe out the excess value of large amounts of stock taken over from various wholesale houses that went into the merger when it was formed, but this difficulty is now in the past and the profit and loss statement has the benefit of all the earnings made.

Further cuts in overhead expense are also forecast. The company has yet, admittedly, a large overhead expense, which is the natural sequel to all mergers. It takes many months and sometimes years to reach the absolute minimum of expense in this regard, as work becomes concentrated in one office and is carried on by one staff.

Strong feature of National Grocers senior securities, that are in the hands of the public, is believed to be the fact that men of substance are largely interested in the junior securities, these representing large capital investments by themselves. These men are practical men in the operating end of the business, and must make a success of the company and give strength to the senior securities before they can get adequate returns on their own investments of time and capital.

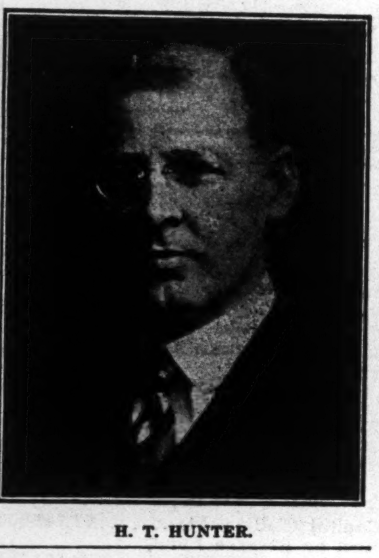
Ohio Oil Subsidiary Makes Share Offering

Rather an interesting oil offering is made this week by Doherty-Easson Co. of 100,000 shares of Mexican-Ohio oil. This is a subsidiary of Ohio Oil, the second wealthiest of the Standard Oil Companies. Ohio Oil has secured an attractive Mexican Oil lease and has organized the subsidiary to test this out. The shares are being offered at $11 per share.

Algoma Steel Rumors

Rumors of the contemplated purchase of the Algoma Steel Corporation by United States' interests are unconfirmed. The same people are said to be planning a pulp and paper mill in the Sault Ste. Marie district, where they hold extensive power rights.

Discusses Empire Trade



H. T. HUNTER.

FIGHT IS ON FOR BRAZIL'S CONTROL; OPPOSE BELGIAN

Mackenzie, Wood Ask Holders of Traction Shares to Stick

OWNERSHIP IN DOUBT

Belgian Group's Purchases Estimated all the Way From 100,000 to 500,000; Might Oust Toronto Men

A severe, perhaps spectacular, fight for control of Brazilian Tractions is in prospect as the result of the opposition of the E. R. Wood group of directors to the proposal of the Lowenstein interests that Brazilian shares be traded for shares in the new Hydro-Electric Securities Corp.

The basis of this trade would be $75 par in preference stock and one share of no par value common of the Hydro Electric Securities for each ordinary share of Brazilian. The presumption is that the Lowenstein group proposes to consolidate Barcelona Traction, and various Mexican properties controlled by Lowenstein, with Brazilian.

That a fight was in process or in prospect became known to the public definitely Tuesday when the daily press published a letter signed by Sir Alexander Mackenzie, the president of Brazilian, urging shareholders in that company to hold on to their shares. The reason for hanging on, according to this letter, was that an exchange in accordance with the Lowenstein plan would react to the disadvantage of the Brazilian company and, consequently, the shareholders would suffer.

Sees Harm to Brazilian

E. R. Wood, vice-president, issued a statement Wednesday, in which it was added that "the president and directors of the Brazilian company are firmly of opinion that any such fusion, alliance or amalgamation" of the Brazilian Company with the three others (Barcelona, Mexican Power and Mexican Tramways), "and possibly others, none of which has any connection with Brazil, would have the most harmful results for the undertaking of the Brazilian company."

What degree of unanimity prevails in Brazilian directorate is not known. A. P. Holt is a director of Brazilian, head of a London financial house and son of Sir Herbert Holt. Sir Herbert, a few weeks ago, became a director of the Belgian Sidro (Societe Internationale d'Energie Hydro-Electricque), which is the principal European company of Captain Alfred Lowenstein.

Facts such as these cause the street to wonder. Are there rival Canadian groups, one working with Lowenstein

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STEEL OF CANADA STILL IS PROSPEROUS

Steel Company of Canada, which added $458,000 to its general reserves last year as well as putting $100,000 into the pension reserve, is doing as well in 1926 as in 1925. The great strength of this company is that it sells everything from pig iron to carpet tacks, so that depression must afflict a greatly diversified list of trades before the company's earnings disappear entirely.

With the prospects for the year bright, the company nevertheless would benefit from any changes in the tariff which might be effected in the interest of other companies which claim to be suffering from lack of protection. It is difficult to conceive how any changes could be made in this way without affecting the industry as a whole. However, if the earnings were increased materially it is thought probable that the excess over reasonable dividend requirements would be ploughed back in.

Assets of the Steel Company of Canada, as shown by the balance sheet published at the annual meeting in April, show assets of $50,193,000. Reserves total $13,947,000

Canadians at Imperial Conference Were Blind to Economic Problems

Need to Bind Empire Together by Emphasis Upon Immigration and Inter-Imperial Trade Overlooked in Reaching Out for Constitutional Shadows

By **HORACE T. HUNTER,**
Vice-president, The Financial Post.

THREE weeks ago I cabled from London and The Financial Post reproduced on the front page of the Nov. 5 issue the following despatch: "Canada, Irish Free State and South Africa seem likely to secure their demand to appoint their own governor-general, who would be responsible directly to the king and not to the Dominions office of the British government."

This was an exact forecast of the only important change announced by Inter-Imperial Relations Committee in the report presented this week to the Imperial Conference. This forecast was made exclusively in The Financial Post.

In future, the governor-general will be responsible directly to the king instead of the British government. This will necessitate the British government having a liaison officer at the capital of each Dominion. So far as routine goes this is wholly new.

The balance of the report merely puts on paper in legal, complicated verbiage changes which had already taken place in practice. It gives equality of status to each Dominion, but this has been recognized since Versailles. It gives treaty making rights but we have signed the Treaty of Versailles and the Halibut Treaty at Washington.

At the outset, it should be borne in mind that the Imperial Conference has no administrative functions. Its findings must be implemented by legislation in Great Britain and each of the Dominions. This will give an opportunity of examining closely each clause and making any changes which any country thinks desirable.

While equality of status is not a new claim, yet pushed to its logical conclusion it may bring responsibilities we are not ready to accept. Great Britain is spending half a billion dollars each year on three services. This gives some rights in framing foreign policy which she cannot surrender. There has been a growing tendency to consult the Dominions on all matters of importance.

Dominions Now Fully Informed

Following on the promise made by Lord Curzon at the conference of 1921, copies of all communications of importance to and from His Majesty's representatives abroad bearing on current aspects of world politics and on the conduct of foreign affairs are now sent without delay from London to the prime ministers of the Dominions, and day by day they are kept informed by telegram and dispatch of every important development and tendency. During 1925 the number of such telegrams sent was 190, while during the present year the number sent up to the end of September has been 116. The numbers of confidential foreign office prints sent during the same periods were respectively 576 and 491.

The final decision must, however, still rest with one party and Great Britain will, in future, as in the past, have to accept that responsibility. To quote from a recent issue of "Truth."

"The discordant note struck by General Hertzog in claiming international recognition of the independence of each Dominion can only mean the right to separate diplomatic representation at any court or country which the Dominion may choose. It is difficult for the Imperial government to deny the principle or theory of the claim, seeing that Canada has already a representative at Washington. But limited liability must be clearly understood. If, for instance, South Africa chooses to send a representative to Berlin, South Africa must not only pay the expense, but face the consequences of a diplomatic quarrel. England cannot undertake to extricate a Dominion diplomat from his blunders, still less to be bound by his bargains. If General Hertzog's representative at Berlin were to do a deal for the restoration of Germany's colonies in Southwest Africa, I imagine the British government would refuse to implement the transaction."

Flexibility is Empire Strength

The flexibility of the British Empire has been its great strength. The absence of a written constitution has enabled it to meet satisfactorily any emergency that has arisen. There is therefore an element of danger in attempting to define the status of the Dominions. Canada claimed and apparently secured at the Treaty of Versailles full autonomy and "equal status" but in defining just what this means she may find that definitions often set limitations and in a way quite unforeseen and unexpected.

Canada and Irish Free State were usually linked with South Africa as desiring this official "coming of age" recognition; whereas Australia, New Zealand and Newfoundland were apparently not worrying about the shadow when they had the substance, but instead were deeply concerned about questions of Imperial trade, defense and empire settlement. It is indeed regrettable that this hair-splitting discussion on constitutional matters should have pushed into the background the more important questions of Inter-Imperial trade and empire settlement.

Trade Links in Chain

Trade is one of the links — many think the most important link—which bind the Empire together. As trade drops, Imperial sentiment wanes. Not only does trade follow the flag, but very frequently the flag follows trade.

Inter-Imperial trade is not flourishing as it should. Foreign countries, especially the United States, Germany and Japan, are steadily increasing their exports and at the same time cutting down their imports from Great Britain and other parts of the Empire. These countries are building up their industries with trade, much of which could and should be diverted to some part of the British Empire.

The British Empire has the largest buying power in the world. It has a population of 450,000,000 or one quarter of the people of the world. Territorially it covers about one quarter of the earth's surface. It has much of the raw material required for manufacturing purposes, and it possesses the capital and skill for turning these into finished products. In shipping, it still maintains its lead-

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Telfer Stockholder Blocks Re-organization

The attitude of one preferred shareholder, it is reported, is preventing a recasting of the financial structure of the Telfer Biscuit Co. in a manner which would go a long way toward solving the difficulties of that company.

The Financial Post is informed that sales of the company's products are satisfactory and are showing a substantial increase each month. But the margin of profit is very small, owing to keen competition.

It is said, also, that the company has been able to improve its financial position somewhat. Just how much of an improvement there has been will be determined when the annual report of the company is forthcoming next month.

Blocks Reorganization

Shareholders, about 150 in number, in September were asked to ratify a proposal to convert the shares of the company into common of no par value. The basis of exchange would be two shares of the new for each old share of preferred and one share of the new for each share of old common.

Various meetings have been held but progress toward the financial reorganization is blocked by the refusal of one shareholder to surrender his preferred for common. The dividends on the preferred are three years in arrears and unless the accumulation is written off, the company's future from a shareholder's viewpoint does not appear very bright, especially if the margin of profit on its products remains small.

The holders of the preferred stock nearly all were originally partners in the Telfer biscuit business, which had its inception in a small way in Collingwood, Ont. When the company was incorporated, the old owners took 7 per cent. cumulative preferred stock, whereas it is contended that common should have been allotted to them.

Quebec Power Expected to Issue More Shares

MONTREAL.—The spectacular rise in the common shares of the Quebec Power Company, must mean something more in the way of disbursements to the shareholders for 6 per cent. stocks do not appreciate in such a fashion unless some kind of action is to be taken shortly. The opinion of those who follow the stock closely is that further shares will be issued to the present stockholders shortly. This, of course, is merely rumor and cannot be confirmed for Shawinigan and its subsidiaries always make sure that no news of a semi-official character is issued before the official announcement of any such action is made to the shareholders.

TUCKETT TOBACCO LOOKS TO 1926 AS FAIRLY GOOD YEAR

Earnings Are Said to be Slightly Higher Than in 1925

TAXES STILL ONEROUS

Industry Hopes Government Will See Light Soon; Essex Growers Have Had Excellent Season

According to information afforded The Financial Post, the tobacco industry in the calendar year will have gained slightly over the previous year in volume and, consequently, in profits, assuming that no extraordinary expenses are encountered before the compilation of the annual balance sheets.

The Tuckett Tobacco Co., one of the important so-called independent companies, and a company conducting a business which originated in 1845 under the name Tuckett & Billings (originators of the famous T. & B. brand of pipe tobacco), is said on good authority to be earning at about the rate established last year, or a little in advance of that rate. Its profits for the fiscal year ended last March 31 were $308,664. The credit balance on that date was $902,680.

Dividends Regular

Tuckett's dividend record is good despite the vicissitudes of the tobacco industry, especially since the government took to taxing excessively. The 7 p.c. has been met with unvarying promptitude in the case of the preferred. The rate on the common has been 4 per cent. for a number of years. It also has been paid promptly. Tuckett's preferred has sold up to 105 in 1926, and down 100. The recent price has been around 104. The common high record for the year has been 65, and low 58, and the prevailing price about 64½.

Tuckett's occupies an enviable position among the independents in that it has been successful in developing all sides of the tobacco business. It established a packing plant near Chatham, Ont., a few years ago and this has contributed a great deal to the increasing importance of the Kent-Essex territory in the tobacco-raising industry. While the industry in that region is about 30 years old, it is only since 1919 that it has prospered materially. The reason for the belated prosperity lies in the changes in the British preferential tariff. This gives the Canadian grower and the growers in other colonies an advantage over the United States and other foreign producers. The Essex grower is especially prosperous this year. He has had a bumper crop, and has been getting good prices for his export surplus.

While the prosperity of the individual domestic grower is not of direct interest to the shareholders in companies manufacturing tobacco products, there is, nevertheless, a cumulative and tangible benefit. The prosperous grower, being as he is a skilled and far-seeing farmer, will see the benefit of endeavoring to improve the value of his crop. This will benefit the tobacco companies and will tend to make the manufacturer more independent of the foreign sources of raw material.

Tastes are Changing

Tuckett's also has established on the Canadian market for the first time a blended cigarette similar to the widely-advertised brands in the United States. These cigarettes are wrapped like the cigarettes sold in such quantities across the international boundary. The sale of the company's brands of pipe tobacco remains steady. The cigar business, which fluctuates with the prosperity of the country, apparently has picked up somewhat in recent weeks.

Undoubtedly the most serious concern of the tobacco industry is neither production of raw materials nor

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PRAIRIE PROVINCES

Eight page section featuring Alberta, Manitoba and Saskatchewan.

Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Prospects for Continuance of Activity in 1927 Favorable
Iron and Steel Production Ahead of Last Year
Commodity Prices Influence Physical Volume of Business
Value of New Construction Sets Record

IN LOOKING forward to next year's business, the majority of business men in the Dominion are wondering if the present period of prosperity will continue or if there will be any serious setback which would cause a curtailment of activities. Tentative conclusions thus far are encouraging in that there does not appear to be any cause for misapprehension that the physical volume of business will fall behind during 1927, at least for the first six months. The restraining influence of hand-to-mouth buying is credited with having steered the cycle of activity which is being experienced and there is no likelihood of a change in this method of buying, as its usefulness has been proven from time to time in avoiding over-production and large inventories. Moreover, business has eschewed speculation in commodities when the temptation of ample money and credit supply was always present. In former years, this has not been the case.

Commodity Prices Lower

The trend of commodity prices is one of the most vital factors in determining business prosperity. So far this year, we have experienced a general downward trend, with one or two notable changes, namely: an upward swing in the price of farm products, higher prices for raw or partially manufactured products and lower values for manufactured articles. It has been shown that a rapid lowering of prices does not increase demand, rather it holds up buying, while, on the other hand, a rapid increase in values has the same effect. Therefore, stabilization of prices is to be desired to further increase the physical volume of business. Our own prices have been carried downwards by the influence of sagging world prices. It is not possible, of course, to determine with any degree of accuracy the future trend of prices, but indications are that there may be further minor recessions, but no pronounced change either one way or the other is expected in the immediate future.

At present wholesale merchants are doing a good volume of business with retailers both in the city and outside, with sales in most cases showing an increase over last year. Dry goods, hardware and groceries are in good demand. Orders in most cases continue of small proportions but they are coming in frequently enough and in such numbers to make the total volume of sales quite large. Improved business is noted in manufactured furs, most of the factories being well employed, largely in orders for women's coats, now sold in the majority of cases direct from manufacturer to wearer. Hardware is in good demand and trade in this line for the first ten months of the year is considerably ahead of last year. Cold weather has also had a beneficial effect in moving seasonable lines. Retailers are now stocking up for the Christmas trade and that they anticipate better business than last year is borne out by reports from wholesalers of watches, jewellery and fine fancy goods that buying is substantially better than it was a year ago.

Production on Good Scale

Manufacturing continues on a good scale with implement plants, automobile manufacturers, and clothing and dress factories all working on satisfactory schedules for this time of the year. Boot and shoe production is slowing down temporarily as most of the factories are finishing up on the fall run. Orders for spring, however, have been coming in well and active cutting of leather for spring lines will be general by the middle of next month. There has been little change in the iron market, actual trading being confined to moderate lots for immediate use with a further advance in price of 50 cents a ton, making the present spot quotation for No. 1 domestic foundry iron $28.20. These industries continue to employ large numbers of people which consequently means a greater spending power for this class.

An indication of the betterment in manufacturing is seen in the increase in the production of iron and steel. Production of pig iron in October rose to 70,124 long tons, an increase of nine per cent. over September figures, which in turn were nine per cent. higher than in August. In the same month, the output of steel ingots and castings amounted to 65,542 long tons, making a gain of eight per cent. over the production reported for September. During the first ten months of this year, the production of pig iron and steel and castings is about 40 per cent. and eight per cent. respectively, over the output for the corresponding period of 1925.

Building Sets New Record

Building operations have been holding up remarkably well and the volume for this year is expected to be greater than any registered for some time. During the first ten months, the value of building authorized by 63 cities amounted to $134,862,844. This is over $17,000,000 greater than in any corresponding period since 1920. In the month of October, the value of permits was $14,614,543, the highest total for this month ever registered since the record was begun in 1920. This showing is of special interest in that it shows the trend of contractors to eliminate, as far as possible, the climatic factor in building operations and thus create more employment and also increase the consumption of such products as lumber, electrical apparatus, cement, roofing and the hundreds of other products that go into construction.

The present trend of activity is well illustrated by revenue car loadings. During the week ended November 13, the number of cars loaded was less than in the week previous owing to the holiday on Thanksgiving. In the more significant comparison with the corresponding week last year, however, there was a substantial increase. Merchandise loadings are mainly responsible for the favorable difference, but there were also increases in loadings of live stock, coal, coke, pulp and paper and miscellaneous freight. Decreases were recorded for grain and grain products, lumber, pulpwood, other forest products, and ore, the difference in each case only amounting to a few cars. Since the beginning of the year up to and including November 13, cumulative car loadings totalled about 263,000 more than in the same period of the previous year.

The improvement in business in general is further reflected in the bullish tone of the stock markets. During the week a number of new "highs" were made and advances were fairly common all along the list. There is plenty of money available for speculation and investment and no sound enterprise need be handicapped by lack of funds, which can be had at a relatively low rate of interest.

Gatineau Power Company Commences Operating Soon

From Our Own Correspondent

MONTREAL.—It is understood that power will be available from at least one unit of the Gatineau Power Company's development at Chelsea by January 1, 1927, and from at least one unit of the Farmer's Rapids development by March 1, 1927.

The remaining four units, each of 34,000 horsepower, at Chelsea, will be put into operation as soon as water can be secured to operate them. The latter depends on the completion of the storage reservoir; there will probably not be enough water to run more than two of these units this winter.

The Fraser-Brace Engineering Company, which is carrying on the construction work, will rush to completion the plant at Farmers Rapids shortly after the first 24,000 horsepower generator is put into operation.

The figures of the recent federal census for the cities of Edmonton and Calgary have been announced as follows: Edmonton 64,740, last census 58,821. Calgary 64,905, last census 63,305.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925	
Car loadings, week Nov. 13	75,066	73,716+	2%
Year to date	2,800,788	2,537,720+	10%
Merchandise shipped, year to date	739,807	690,935+	7%
Building permits—October (63 cities)	14,614,543	11,312,644+	29%
Construction contracts awarded, October	43,384,600	29,647,500+	46%
Railway Earnings—Nine Months—			
C.P.R. gross	137,331,784	124,674,088+	12%
C.P.R. net	28,632,021	21,635,921+	44%
C.N.R gross	189,496,292	169,268,260+	12%
C.N.R. net	25,743,334	12,325,763+	108%
Pig Iron Output—tons, October	70,124	74,013—	5%
Steel Ingot production, October tonnage	65,542	108,868	
9 months to October 31	664,084	617,137+	8%
Employment—October index	105.2	98 3	
Newsprint production—October tonnage	168,860	137,506+	22%
Automobiles produced—(Eight months to September 30)	171,953	126,804+	35%
Immigration, 9 months, to September 30	112,835	67,878+	67%
Business failures—No. of firms, 9 months to Sept. 30	1,513	1,538	
Liabilities, 9 months	19,191,301	26,550,375—	27%
Imports of key commodities, 12 mos. ending August 30—			
Rubber (raw, in pounds)	46,189,124	38,893,355+	19%
Cotton (in pounds)	135,273,867	112,347,584+	20%
Crude petroleum (in gallons)	601,312,867	499,059,190+	20%
Exports of key commodities (12 mos. end. Aug. 30—			
Canned salmon, lbs.	637,386	770,055—	17%
Newsprint, cwt. (12 mos. end. Aug. 30)	32,384,966	26,314,055+	23%
Wheat flour, bbls. (12 mos. end. Aug. 30)	10,671,368	10,228,177+	4%
Wheat, bushels (12 mos. end. Aug. 30)	269,761,912	154,110,268+	75%
Grain receipts, Aug. 1 to Nov. 12	145,997,803	157,760,617—	7%
Bank clearings, October	1,645,457,080	1,709,651,392—	3%
Savings deposits, Sept. (chartered banks)	1,343,116,753	1,268,554,097+	5%
Current loans, Sept. (chartered banks)	959,889,525	903,717,736+	6%
Exports, 12 months to October 31	1,293,639,169	1,198,546,389+	8%
Imports, 12 months to October 31	991,114,109	865,165,383+	14%
Balance of trade, 12 months to October 31	302,525,060	333,381,006—	9%
Price level, October index, 236 commodities	151.1	156.0	
Pig iron (Number 1 foundry) Nov.	25.30	Nov. (Aver.)	26.85
Cattle—Good, Toronto, Nov. 22	$6.25	Nov. (Aver.)	$6.81
Wheat, No. 1, Nor. Winnipeg, Nov. 22	1.40	Nov. (Aver.)	$12.35
Hogs—Select, Toronto, Nov. 22	10.90	Nov. (Aver.)	$12.35
Bond sales, 10 mos. to Oct. 30	527,319,576	424,862,364	

Alberta Wheat Crop Increased 10,000,000 bu.

Now that threshing in Alberta has been practically completed, it is safe to state that the wheat crop has turned out much better than anticipated some little time ago.

Conservative estimates place the crop at about 112,000,000 bushels, an increase of approximately 10 million bushels compared with last year. The yield in many instances was quite 50 per cent. more than expected, but in point of grade, it is below that of 1925. This has been caused by the continued wet weather during harvesting.

Taken altgether, however, Alberta farmers generally will not have much cause for complaint. The present very fair crop coming immediately after the good crop of last year will place many of them in a much more favorable financial position than they have been for many years past.

Agricultural Survey

Crop Values Favorable
Grain Prices Off
Fall Ploughing Behind
Dairy Markets Steady

IT IS apparent from present indications that the monetary returns from 1926 field crops will compare favorably with those for last year; in fact, it would not be surprising if the revenue from this source is not actually greater. In view of the unfavorable weather conditions during the harvesting season this statement may not seem justified, but when the better prices now prevailing for farm products are taken into consideration, it will be seen that the loss in yield is largely offset by the increase in values. The federal government's provisional estimate of the value of this year's crop for all provinces of potatoes, roots, fodder corn, sugar beets, hay and clover and alfalfa, shows that the aggregate of these items is slightly in excess of the revenue received in 1925.

Work on Land Delayed

Work on the land is proceeding as rapidly as possible but owing to the bad weather and protracted threshing operations the amount of fall ploughing done by the end of October is but small. For all Canada the proportion of land intended for next year's crop that has been fall ploughed up to October 31, 1926, is estimated at 20 per cent., as compared with 26 per cent. last year and 32 per cent. in 1924. By provinces the proportions for 1926 are as follows, with the corresponding percentages for 1925:

	1925	1926
Prince Edward Island	38	21
Nova Scotia	23	26
New Brunswick	33	18
Quebec	23	32
Ontario	46	32
Manitoba	37	25
Saskatchewan	14	13
Alberta	10	10

Grain marketings are moving along more readily now and the outlook for overseas markets has brightened. It was at first thought that the unusually heavy United States wheat crop would somewhat spoil the market for Canadian wheat, but a statement issued by the United States Agricultural Department is of an encouraging nature. It shows that while the American crop is slightly above the five-year average, the very small reserve at the beginning of the season reduced the available supply below the average for the years since the war. The supply, while larger than last season, and about equal to those of 1923-24, is, with those exceptions, the smallest since 1917. The Winnipeg grain exchange has reacted unfavorably to recent news from the Argentine and the government's report of large stocks on hand, price for No. 1 northern breaking below $1.40 a bushel and on the 23rd last was half-cent above this mark.

More Milling of Grain

There appears to be more milling of grain this year than has been the case for some time. The majority of sales going across the board at present are for millers and operations in the larger plants are said to be fairly extensive. There is a fairly good domestic demand for flour, but export offerings are scarce owing to the present unsatisfactory high rates demanded by shipping interests. No large movement for overseas is expected until some readjustment is made.

Dairy Products in Demand

The volume of business accomplished in cheese with foreign buyers was again limited the past week, but there was a steady demand from other sources with the result that a good undertone prevailed in the market and prices show little change. The export cheese situation this year has been fairly satisfactory in view of the many drawbacks, and although shipments are not equal to those for 1925 the loss of business suffered by Canadian exporters from the British strike was not as great as was experienced by exporters of other competing nations in this market. Butter supplies are off a little and a strong feeling prevailed in the market.

No change of any importance is noted in the livestock situation. Good supplies are coming forward to the public stock yards and as the domestic demand is holding up well, a better feeling prevails in the market. With a resumption of normal shipments to England, which now appears imminent, the packing houses will be enabled to increase the scale of their operations.

POWELL RIVER IMPROVES TOWN

The Powell River Paper Company which has recently completed an extensive addition to its paper plant now considers elaborate improvements to the town of Powell River, B. C. The building programme on the townsite includes a department store, a picture theatre, community hall, Avenue Lodge extension, hospital, isolation hospital, bathing beach and other details. The work would extend over three years and is estimated to cost about $1,500,000.

Big Potato Yields in N. B.

Extraordinary yields of potatoes are reported by the provincial department of agriculture. In Victoria County a farmer harvested 295 barrels of Irish Cobblers from eleven barrels of seed, or, roughly, a multiplication of 27 on a two-acre lot. From Cardigan, York County, a yield of 160 barrels of Green Mountains from one acre is reported. In a general way, too, the potato fields are yielding well with quality high.

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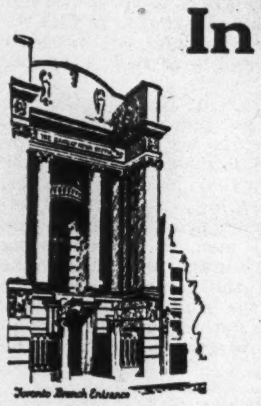

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LUMBERMEN IN B.C. BATTLE MINIMUM PAY LEGISLATION

Will go to Privy Council to Fight Provincial Wage Edict

VANCOUVER. — British Columbia lumber interests, determined to beat the new minimum wage law if it can be done, may go to the Empire's highest tribunal—the Privy Council—if the lower courts do not uphold their opposition to the measure.

Meanwhile the police court and Chief Justice Hunter of the British Columbia supreme court have supported the law, the latter in a stated case application. The question will probably be before the courts of this province for the rest of the year. The Appeal Court will be asked to render a decision in the near future.

Call it Discrimination

The lumbermen's protest is based chiefly on the contention that the government has no right to discriminate in its enforcement of a law of this kind. When the minimum wage law was passed by the legislature last year, the lumbermen claim, it was the intention to make the law universal in its application and that is still the acknowledged purpose of the government. However, it was thought desirable to try it out on the lumber industry this year and on November 1 it was put into force in all sawmills, logging camps, woodworking plants, shingle and pulp and paper mills. The minimum wage was fixed at forty cents an hour.

The board administering the act points out that discrimination was not intended. Enforcement was ordered this year in the lumber industry more as a matter of convenience than anything else as it would involve considerable confusion to bring all industries under its effect simultaneously. The lumber industry was chosen first because it was the biggest, one of the best organized and one regarded as most in need of minimum wage standards in order to accomplish the acknowledged purpose of the framers of the bill . . . to drive the Asiatics out of the province's basic industries.

Will Contract With Orientals

Whether the legislation will accomplish this purpose is doubted by the lumbermen themselves. They say that they were bringing about a gradual elimination of the Oriental worker voluntarily and that the higher wages will bring back many of the skilled Orientals who adopted other pursuits during the past few years. They say that it will drive the less skilled Orientals into other occupations where their influence will be more harmful on the community, and others point out that wily operators will overcome the legislation by awarding contracts to Orientals for various labor, thus avoiding the necessity of paying wages directly.

One thing is certain, and has already made itself manifest. . . .no piece of industrial legislation ever passed in British Columbia is to encounter as stiff and relentless opposition as the minimum wage act.

Imperial Oil Not Ready to Consider Alberta Proven

VANCOUVER. — F. J. Wolfe, director of marketing for the Imperial Oil Ltd., has been spending a few days in going over the marketing policies and the expansion of sales departments with the local offices.

"The increased registration of automobiles, as well as the heavy tourist traffic, means a great deal to our business with the millions of dollars of capital investment in this province. We are not only a marketing company, but every gallon of gasoline we sell here is manufactured in the province," he declared. —

Regarding the present supply of gasoline, Mr. Wolfe remarked that there was a decided feeling that crude oil should be conserved. Unless new fields were tapped or new processes discovered for the refining of the crude oil, the present supply of gasoline would be exhausted in the next few years, he stated.

While the Alberta fields had vast potentialities, so far as the Imperial Oil was concerned, there had been no real crude oil taken out of that district. The later development of these fields may supply quantities of gasoline for commercial purposes, and if so the company would look to this source for some of its supply.

Study Re-Organization Plea Western Canada Irrigation

James Pike, colonization manager of the Lethbridge Northern Irrigation district, has been appointed by the Alberta government as its representative to act in conjunction with Dominion government officials in an investigation into the plans of the Western Canada Land and Irrigation Company for reorganization. R. J. Dinning will also be associated with him in an advisory capacity.

The company has asked for a rebate of tax arrears in order to make a fresh start, and it is on that score that the province, which has not heretofore had a direct interest in the undertaking, is now taking part in the effort to effect an acceptable settlement. Meetings of the joint committee will be held as soon as they can be arranged.

SUGAR OUTPUT UP

MONTREAL.—The Canadian sugar refineries in the four weeks' period ending Nov. 6 manufactured 109,446,738 pounds of sugar as compared with 95,121,913 pounds in the corresponding period last year. For the year to date, the output of the refineries is fractionally lower than last year. Exports of sugar during the month of October were marginally lower than last year and amounted to 28,138,800 pounds as compared with 28,771,800 pounds in October, 1925.

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Canadian Investors Control $700,000,000 in Other Countries

On Our Holdings in Other Countries, We Derive Around $35,000,000 Yearly in Income — Analysis of Our Foreign Investments

By K. W. TAYLOR,
Lecturer in Political Economy, McMaster University.

The investments of British and foreign capital in Canada are always a matter of great interest, and a good deal has been written about them. But the investments of Canadian capital abroad, though small compared with the non-Canadian capital in Canada, are very considerable and little attention has been paid to them.

Owing to slowness and irregularity in the publication of many series of statistics it is not possible to give a satisfactory estimate for any year later than 1924. As of December 31 of that year it is probably safe to estimate that the total amount of Canadian capital abroad was not less than about $600,000,000; of which over $450,000,000 can be definitely traced, the balance being a conservative estimate of the holdings of foreign securities by private individuals in Canada.

Eight Classes of Investments

The way in which the above estimate has been reached may be summarized under the following heads:

1. Canadian Government Credits. — During, and just after the war, Canada made large advances to the Imperial and foreign governments. Most of these have been repaid, but, on December 31, 1924, there was outstanding about $37,000,000, chiefly from Greece and Roumania.

2. Balances of Canadian Banks Outside Canada.—This may be found for any month from the regular monthly returns of the chartered banks published in the Canada Gazette, by subtracting total liabilities outside Canada from total assets outside Canada. On December 31, 1924, the balances abroad totaled $95,698,244. The geographical distribution of this balance cannot be given. Probably the bulk of it would be in New York, London, and the West Indies, with smaller sums in Newfoundland, Central and South America, France, and Spain.

3. Canadian Bank Premises Outside Canada.—This is a small item which has been estimated by taking the total number of branches outside Canada (189 on December 31, 1924), which is 5.2 per cent. of the total number of branches (excluding sub-agencies), and assuming that these foreign premises represented 5.2 per cent. of the total value of all bank premises on that date ($72,541,582), that is, $3,825,000. Two-thirds of these branches are in the West Indies, and the others in Newfoundland, Central and South America, the United States, Great Britain, France, and Spain.

4. Bank Holdings of Non-Canadian Securities.—Canadian banks always keep a part of their reserves in government and industrial securities, and about one-quarter of these are usually non-Canadian. For December 31, 1924, the amount of such securities held is estimated at about $120,600,000, divided as follows: United Kingdom, $52,000,000; United States, $36,000,000; other countries, $32,600,000.

5. Insurance Companies' Holdings of Non-Canadian Securities.—In the annual reports of the Dominion Superintendent of Insurance there are full lists of all securities held by each insurance company operating under a Dominion license. By going through these lists, one can pick out and total all the non-Canadian securities held by Canadian companies. To this total must be added their mortgages and policy loans outside Canada. The grand total for December 31, 1924, is $159,471,000, divided approximately as follows: United Kingdom, $19,087,000; United States, $84,623,000; other countries, $55,761,000.

6. Loan and Trust Companies' Holdings of Non-Canadian Securities.—This is a small and incomplete item. The data has been abstracted from the lists of securities given in the report of the Ontario Registrar of Loan and Trust Companies. It covers only companies operating in Ontario, and there are, therefore, some important omissions. The Dominion report does not itemize security holdings. Subject to these omissions, the total is $1,981,000, of which $1,962,000 are British securities and $19,000 those of other countries.

7. Canadian Branch Plants Abroad.—Just as many British and American companies have branch plants in Canada, there is an appreciable number of Canadian companies which have expanded successfully outside Canada. (For some details of these, see The Financial Post, June 18, 1926, and July 9, 1926.) Also, our two main railways own or control extensive properties in the United States. There are, too, a number of public utility and other companies in the West Indies, Central and South America, and Spain, which were organized by Canadian capitalists, e.g., Cuban-Canadian Sugar, International Power, Mexican Tramways, Northern Mexico Power, Brazilian T. L. and P., Barcelona T. L. and P., etc. Though much of the capital which has been invested in these was British, a great part at least is Canadian; how much it is impossible to say. Certainly it would be a conservative estimate to say that under these several items of branch plants and controlled companies, there is not less than $50,000,000 of Canadian money invested abroad.

8. Miscellaneous Holdings by the General Public.—To these relatively ascertainable items must be added the considerable holdings of foreign securities by the general public of Canada. The amount of Canadian money in foreign securities, both for speculative and investment purposes, is undoubtedly large. It has been said, for instance, that over $100,000,000 of foreign bonds have been sold in Canada during the past two or three years. Many Canadian brokerage houses handle large quantities of American and other foreign securities on behalf of their clients. There are some firms practically all of whose business is with New York or other American markets. Canadian investments in California and Florida real estate, as well as in oil lands in various parts of the continent, would reach quite an appreciable figure. On the whole, it is probably safe to say that these miscellaneous foreign investments total not less than $150,000,000 to $200,000,000, and may be considerably more.

Total Around $600,000,000

Summing up these several groups, we get the following total of Canadian investments abroad, as of December 31, 1924, together with some indication of their geographical distribution:

Item	Total	United Kingdom	United States	Other countries	Not known
Gov't. credits	$ 37,000,000	$.........	$.........	$ 37,000,000	$.........
Banking balances	95,698,000	....	....	....	95,698,000
Bank premises	3,825,000	....	....	....	3,825,000
Holdings of foreign securities—					
By banks	120,600,000	52,000,000	36,000,000	32,600,000	....
By insur. cos.	159,471,000	19,087,000	84,623,000	55,761,000	....
By trust & loan cos.	1,981,000	1,962,000	....	19,000	....
Br. & cont. plants	50,000,000	....	....	....	50,000,000
Miscellaneous	150,000,000	....	....	....	150,000,000
Total	$618,575,000	$73,049,000	$120,623,000	$125,380,000	$299,523,000

Large at December 31, 1925

An estimate for December 31, 1925, based on much less complete data, may be made as follows:

1. Government credits	$ 35,000,000
2. Banking balances	196,231,000
3. Bank premises	4,000,000
4. Bank holdings of foreign securities	102,420,000
5. Insurance companies of foreign securities	175,000,000
6. Trust and loan companies of foreign securities	2,000,000
7. Branch and controlled plants	50,000,000
8. Miscellaneous	150,000,000
Total	$714,651,000

In this 1925 estimate, items 1, 3, 6, 7 and 8 have been left practically the same as for 1924; item 2 (banking balances) is based on official figures; item 4 (bank holdings of foreign securities) is based on reliable data; and item 5 (insurance companies holdings of foreign securities) is merely a guess, but the estimated increase of fifteen millions over 1924 is a conservative one in the light of the heavy increases in this item during each of the last four years.

Interest payments to Canada on these foreign investments will be an appreciable item on the credit side of our annual "Balance Sheet of International Indebtedness." Probably five per cent. would be a reasonable estimate of the average yield. If so, in 1924 we had a credit of over $30,000,000, and in 1925, over $35,000,000.

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Maritimes Disturbed By Canal Expenditure

Saint John, N.B., Times-Star.

The new Welland Canal when completed will cost, it is estimated, $116,000,000. The Maritime Provinces will have paid their share of the cost, but a Buffalo man, who is described by The Financial Post as "one of the first three or four shipping men concerned with the Great Lakes trade," is quoted as saying that he could not see that the Welland Canal had benefited the Maritimes at all. Nor did he see in the new canal "any particular advantage in the possibilities of a coal-carrying trade from the Maritimes."

Still another Buffalo man is quoted by The Financial Post as saying "he could see that the Welland Canal and St. Lawrence system is a positive detriment to the Maritimes, since this canal system built up Montreal as a grain port, whereas Halifax and Saint John should have displaced Portland, Me., as soon as Canadian railroads obtained their eastern terminals in Canada."

So much for the Maritimes and their share of that $116,000,000 cost of the new canal. But if the canal will not benefit them, to whom will the advantage accrue? Sir Wilfrid justified the first canal by saying grain would go to Montreal without fear of competition from Buffalo or Oswego. We know now that it failed to prevent Buffalo competition, and the new canal will enable the large lake boats to get down to Oswego, and make it a rival of the Canadian port of Kingston. The large lake boats cannot go on to Montreal, and the grain will have to be transshipped at Prescott or Kingston—the latter being most favored. But will the American port of Oswego be entirely out of the running? A writer in The Financial Post puts the question thus: "Will Canada be proud of this (canal) or will our investment of money and energy turn out to be a bitter disappointment?'

That is an extraordinary question to ask at this stage of the proceedings. The Buffalo shipping man told The Financial Post that he did not see how the new canal could cut grain rates very much. Although there would be a saving in time, he did not expect to see any material reduction in rates, because of the poor prospect for return cargo from Kingston.

Here is another amazing statement which a Buffalo man interviewed by The Financial Post credits to a former Canadian cabinet minister. He "declared privately that the interest on the money being spent on the Welland Canal, or what would be spent by the time it is finished on the usual government scale, would pay the rail freight rates on every bushel of grain from the originating point in the northwest to Montreal."

Why does The Financial Post give publicity to such views as are indicated in this summary of two long articles in its columns? Is there a possibility that the huge expenditure on the Welland Canal will not be justified by results? One would be reluctant to think so, especially if one lived in the Maritime provinces, where every little government expenditure appears to be regarded with dark suspicion by many of our friends in the central provinces.

Whatever happens we must pay our share of the cost of the Welland Canal —as we have done in the case of the whole canal and waterway system from Quebec to Fort William.

CUT MUCH MORE LUMBER

Estimates of the cutting of timber in Quebec for the season 1926-27 which runs from the latter part of August to the end of April, as compiled by experts here, are that the cut will be from 15 to 20 per cent. over last year's. In other words this season's cut will run to about 2,000,000,000 ft. of lumber.

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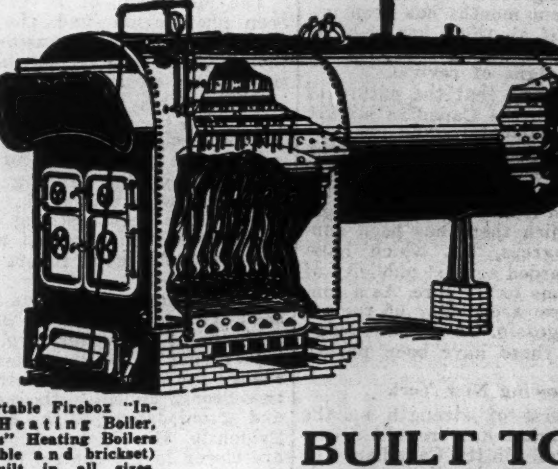

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TORONTO 2

Securities Markets

CANADIAN STOCK MARKET STRENGTH IS FUNDAMENTAL

While in New York, Speculative Influences Chiefly at Work

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Nov. 24	94.6	91.7
Week of Nov. 17	93.6	91.0
Month of Nov. 1925	78.5	73.7
9 Bank Stocks		
Week of Nov. 24	$225	$224
Week of Nov. 17	226	223
Month of Nov., 1925	221	218
10 Public Utilities		
Week of Nov. 24	100	97
Week of Nov. 17	98	97
Month of Nov., 1926	92	90

The week was characterized by the further ready absorption of high grade securities by the market. The securities of companies with no other issues ahead of the common stock too seem to be marked for special favor by market interests. There has been considerable attention paid to securities such as British American Oil, Shredded Wheat, Gooderham & Worts, B. C. Fish, Industrial Alcohol, Dominion Bridge, Dominion Stoves, etc., all of which only have common stock outstanding.

It is natural that in a market such as the one we are at present running into, that great care and discrimination should be exercised. The week has not developed strength in any particular group. On the whole the stocks that are basically fundamental, regardless of their category, have moved forward.

New York Strength Shows

In New York where there has been a run on the speculative leaders, great strength has been in evidence. The decks appear to be cleared for active trading. The N. Y. market which in recent months has been uncertain, and if anything has been on the decline, has during the past ten days shown signs of revival.

It is gratifying that the nature of the strength in the Canadian market appears fundamental, and is not purely speculative. During the week a number of securities, whose balance sheets and income statements are totally withheld from the public or companies in which there has been substantial progress, but which have carefully guarded against publicity of this, have come to the fore. As a consequence there are plenty of rumors and market gossip. On the first bulge of strength these have been pushed forward.

Following New York

The outburst of strength on the American market has brought a corresponding rally in the Canadian. The strength in the U. S. market is thought to be speculative, while in Canada it appears fundamental. As a result Canadian stocks and averages are more likely to sustain their gains than are the American.

In Toronto, British American Oil has been the subject of much comment. A stock split of 4 for 1 and a dividend of a dollar a share is mentioned as a possibility for British American. This would mean that the stock would be paying $4 instead of the present $2.50. It is also rumored that members of a large American stock brokerage house are heavy buyers.

Gooderham & Worts displayed strength, and it looked as if the results of the Ontario election were beginning to be discounted.

The movement of B. C. Fish has been phenomenal and the changed character of the business, it is thought, has been responsible for the rise of this stock, even more so than earnings. This stock almost touched par during the week, but slipped back on Wednesday.

Dominion Stoves has scored a substantial gain, but trading has been very narrow in this stock.

There has been a strong undertone in Smelters which scored a gain on the news of a good report from the property.

Interest in Brazilian has been very keen. The serious efforts exerted on this side of the water, urging shareholders not to be lured into an exchange for the Hydro Electric Securities Stock, indicates the seriousness and actual danger of the eventuality. Evidently the Lowenstein interests are closer to the control of Brazilian than many suspect.

Quebec Stocks in Lead

Both common and preferred of Quebec Power moved in a spectacular fashion, gaining 23 and 21 points respectively.

Of the other leaders that were active and firm, Wayagamack, Atlantic Sugar and Winnipeg Electric stand out.

The market has coupled the names of Dominion Bridge and Steel Company of Canada together. Rumors of a pending arrangement between these have been afloat.

Week's Gains and Losses

	Gains	Losses	Unch.	Total
Banks	5	2	2	9
Paper	4	5	5	14
Steel	6	9	19	34
Foodstuffs	18	11	12	41
Utilities	10	8	10	28
Tractions	7	3	5	15
Textiles	3	5	8	16
Industrials	15	14	22	51
Totals	68	57	83	208

Becomes Vice-President of W. T. Smith & Co.

Fred C. Hastings has become vice-president of Walter T. Smith & Co., investment bankers, Northern Ontario Building, Toronto. Harold J. Clark remains a director of the company.

Mr. Hastings is a graduate of the University of Toronto, in political science, 1920, and was called to the Ontario bar in 1924. He was for five years secretary-treasurer of the students' administrative council of the University of Toronto.

FRED. C. HASTINGS.

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9-11 E. Wellington St., TORONTO
Sterling Security Reports are prepared by Registered Professional Engineers

CONSUMERS GAS TO APPEAL FROM LOGIE DECISION

Stockholders' Interest is Not Really Affected by Contest

The Financial Post is authorized to announce that Consumers' Gas Company will enter an appeal from the decision of Justice Logie in Toronto last Friday. This decision would make available approximately $3,000,000 for the special surplus account which governs the price of gas. The company acquired the sum by sale of stock. The amount represents premiums paid above the par value of the stock.

Persons acquainted with corporation finance and also with the act of 1887 under which the company operates are of the opinion that the question at issue does not affect the shareholders of the company, since the dividend rate is, in effect, fixed by statute and the dividend, of course, is paid on the par value.

The special surplus account to which the $3,000,000 will be added if Justice Logie's decision is sustained now amounts to $232,000. When the sum reaches $270,000, the price of gas is automatically lowered five cents the 1,000 cubic feet for the succeeding year. Where the earnings are not sufficient for the 10 per cent. dividend, it is held that the company may similarly increase the price of gas at the rate of five cents the 1,000 cubic feet each year until earnings are again adequate.

Available for Dividends

A phase of the situation which is of interest to stockholders is that the special reserve into which the premium on stock sold goes is available, after the payment of certain minor charges, for the payment of dividends should earnings not be sufficient for this purpose. This is of only academic interest, however, since the earning rate is virtually guaranteed by the same process which regulates the price of gas.

A Toronto investment banker suggested after reading the published version of Justice Logie's decision that Consumers' Gas might avert future contests of this nature merely by offering new stock issues to its old stockholders or to the public at par.

Mt. Royal Hotel Plan to be Satisfactory

The committee composed of the larger preferred shareholders of the Mount Royal Hotel Company has met and has started to evolve a plan whereby the preferred shareholders may obtain some revenue from their holdings and at the same time liquidate the dividend arrears. Some of the smaller preferred shareholders may feel that in arranging such a deal their interests may be overlooked. This is not the intention of the committee, who, of course, are all holders of the stock, and who most certainly would hardly evolve any plan which would in the end benefit the common shareholders at the expense of the preferred. When the details of the plan have been worked out, it will be submitted to the board of directors for their acceptance; then both classes of shareholders will be asked to ratify it. No details of the proposed plan are forthcoming yet, but it is anticipated that the arrangements for the liquidation of the 28 per cent. dividend arrears will be such as to prove satisfactory to practically all the holders of the preferred stock.

Cosmos Imperial Mills Doing Good Business

Frequent announcements of the organization of new companies to manufacture paper, and of the extensions of older mills and the building of new mills by existing companies, is evidence that companies manufacturing supplies for paper mills under good management are certain to show increasing earnings.

Cosmos Imperial Mills, Hamilton, is reported to be having an excellent year. This company manufactures cotton webbing and belting for use in papermaking and as the long webs require replacement, the company finds a constant and growing market for its product. The cotton used in making this webbing is of long selected fibre, which it obtains from the Southern States in co-operation with a group of manufacturers of similar products in New England.

Supertest Adds Montreal to Selling Territory

Merger of Ensign Oil Company, of Montreal, with Supertest Petroleum Corporation is being effected by exchange of shares and involves no new public financing, The Financial Post was informed this week.

Ensign Oil Company has been a wholesale distributor of oil in the Montreal territory and has sold about a million gallons a year of gasoline. It will distribute Supertest products, but under the old firm name until the Supertest name has been established in Quebec. Supertest now distributes in London, Hamilton and Ottawa, and smaller communities adjoining these centres.

Financial statement of Supertest for the year to September 30 last has not yet been published, but it is understood that earnings were excellent, having reached a new high point and being the equivalent of a round $2 a share on the common stock.

Norman J. Dawes, of Montreal, well-known business and financial man, who is president of National Breweries, and has been president of Ensign Oil, joins the directorate of Supertest Petroleum Corporation.

National Steel Car Gets Order for 24 Street Cars

A contract for the building of 24 street cars for the Hamilton Street Railway Co., has been given to the National Steel Car Corporation. The transportation manager of the company also making the announcement that a contract for the electrical equipment has been awarded the Canadian Westinghouse Co.

Each of the cars will cost $20,000, the total amount of the contract being therefore, $480,000, to be completed for delivery by May 1, 1927.

These contracts will provide considerable employment to Hamilton mechanics and others during the next six months.

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7% Preferred Stock
This Company has played a large part in the rapid development taking place in the North.
Its current earnings are running twice dividend requirements.
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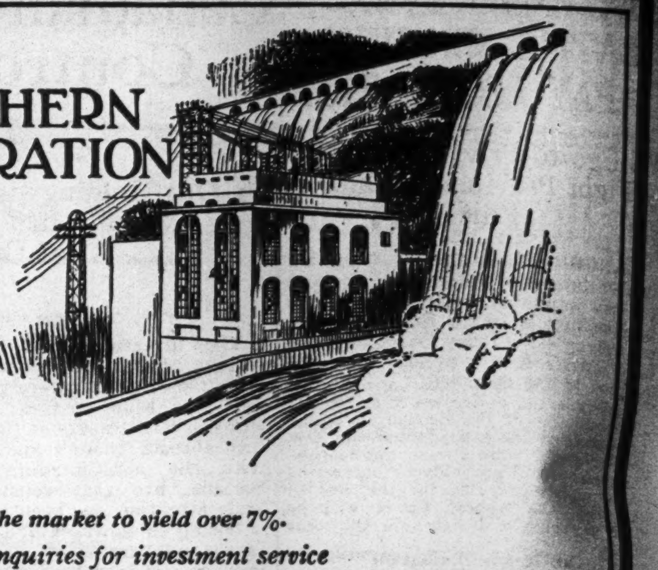


Postpone Gas Franchise Vote in Hamilton

The Hamilton city council has decided indefinitely to postpone submission of a by-law on the question of giving the Dominion Natural Gas Co. a franchise to supply domestic consumers and manufacturers in competition with the United Gas & Fuel Co.

The United has offered to reduce the price of gas from $1 to 80 cents a thousand cubic feet, beginning January 1st. P. V. Byrnes, general manager, says that the reduction is possible because of economies in production effected by the installation of new coking ovens.

Hamilton Cannot Tax Cyrus Birge's Income

For the fourth time Hamilton's assessment department has been told it cannot tax the $60,000 income of Cyrus A. Birge and his wife, Mabel I. Birge.

In his reasons for judgment, Judge Evans says: "Having heard and considered all the evidence adduced by the appellants and respondent, I find that, since about the month of June, 1922, until about November 11, 1926, the respondent, Cyrus A. Birge, and his wife with him have resided in the township of Trafalgar, in the county of Halton, for a considerable portion of each of the years from 1922 to 1926, and the said Cyrus A. Birge asserts and affirms that the township of Trafalgar is the permanent residence of himself and his wife, and he intends to continue to make it the permanent residence of himself and wife.

Mr. Birge owns a residence in the city of Hamilton which he and his wife have occupied for a greater or less period of time for each of the above-mentioned years, and they have spent some part of each of the above-mentioned years in Bermuda and Southern States.

"A considerable portion of Mr. Birge's mail is received at his Trafalgar residence. He has voted several times in the township of Trafalgar.

"Under the above circumstances, and for reasons disclosed by the evidence taken at the hearing, I can not find otherwise than that the permanent residence of Cyrus A. Birge and Mabel I. Birge is in the township of Trafalgar, in the county of Halton, and I therefore dismiss the appeals of the corporation of the city of Hamilton against Cyrus A. Birge and Mabel I. Birge."

Mr. Birge is a director of the Steel Company of Canada and a director of the Canadian Bank of Commerce.

ANTICOSTI ISLAND DEVELOPED

From Our Own Correspondent

MONTREAL.—The Anticosti Corporation will have some two thousand men taking pulpwood off the island this winter. The wood will be shipped early in the spring to the three companies which own the Anticosti Corporation. These are the St. Maurice Valley Corporation, the Port Alfred Pulp and Paper Corporation, and the Wayagamack Pulp and Paper Company. Plans are now being laid to build large wharves on the island at a point known as Ellis Bay.

Shawinigan Expands Further

MONTREAL. — The power output of the Shawinigan Water and Power Company is to be increased by 4,000 h.p. through the construction work which the company has undertaken on the Ste. Anne River.

The power site is owned by the Port Neuf Power Company, of which Shawinigan controls the majority of the stock. The new power house and dam will cost in the neighborhood of $600,000.

Anglo-Canadian Buys Limits

MONTREAL. — The Anglo-Canadian Pulp and Paper Company has made a deal with the Oxford Company whereby it will take over the timber lease of that concern along the upper banks of the Montmorency River, which is held in freehold by the Quebec Seminary. The lease held by the Oxford Company has still eight years to run, so that for the next eight years, at least, the Anglo-Canadian Pulp and Paper Company will have a supply of pulpwood on hand almost at the door of its new mill property.

It is understood that there are something like two million cords of pulpwood available on the limits, and as the transaction covers freehold property, the price is said to range between one dollar and a dollar and a half per cord, which would bring the estimated price somewhere between two and three million dollars. The Seminary has granted landing and booming rights on the banks of the river, and these also have been taken over by the Anglo-Canadian Company.

For Sale
Two hundred shares of Caron Bros. Incorporated 8% preferred stock. No reasonable offer will be refused.
Write to G.P.O.
BOX 1839, Montreal

When Your Banker Says—"No"

A certain business man was caught in a "tight money" situation, and the bank refused his usual accommodation, quite unexpectedly. He had to tell his employes that the pay roll would not be met until "next Monday."

On Monday his troubles were multiplied a hundredfold because of the talk his men had indulged in over the week-end, to the injury of his credit.

He had no "Emergency Reserve."

The hardest job to tackle is the "Receiver's job," because the most potent factor for success, Commercial Credit, has been destroyed.

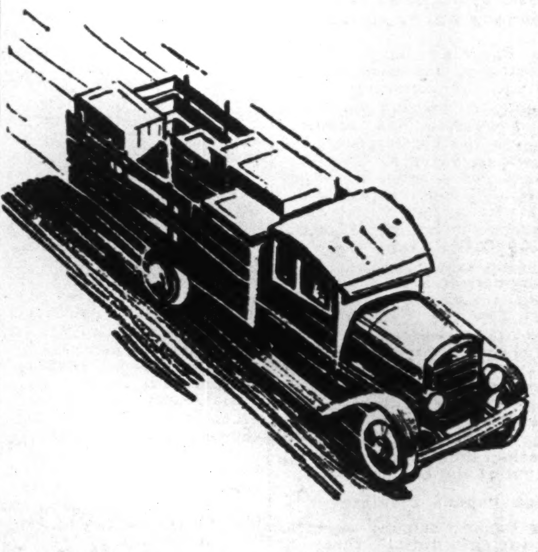
If you are a business man, a letter from you will bring a few worth-while suggestions from the Head Office of the

Canada Life
Assurance Company
Head Office - - Toronto, Canada

Stock Market Record

WEEK ENDING NOVEMBER 23

	Div. Rate	Yield Nov. 22	High for wk.	Low for wk.	Close Nov. 23	Close Nov. 16	Sales for wk.	Range, 1926 High	Low
Banks—									
Commerce	12+1	5.87	222	220¼	221	220	152	227	214
Dominion	12+1	6.15	211	211	211	211½	10	219	207
Can. Nationale	10	6.28	160½	159	160½	159½	20	170	157
Imperial	12+1	6.33	207	205	205	207	59	215½	200
Montreal	12+2	5.14	272	270	272	267	95	275	251½
Nova Scotia	16	5.52	289	289	289	289	5	300	281
Royal	12+2	5.55	253¼	251	253¼	251	138	255⅛	248
Standard	12	6.31	190¼	190	190¼	190	45	200	189½
Toronto	12	5.42	221	220	221	221	13	223	213
Paper—									
Abitibi, com. (no par)	4	4.37	91½	90	91	91¾	5217	98	70¼
Do. pref.	7	6.08	..	...	...	...	...	116	106¾
Belgo-Can., pref.	7	6.88	101¾	101	101½	102	224	102½	95¾
Brompton (no par)	.	...	36¾	36	36¼	36½	1162	38½	26
Laurentide	6	5.50	109¼	107	108⅛	109	4136	114¾	81½
Price Bros., com.	2	2.85	70	70	70	70	25	76¾	57
Do. pref.	6½	6.34	102½	102	102½	102½	290	102½	95
Prov. Paper, com.	6+1	6.22	113½	112½	113½	113	75	114⅝	100
Do. pref.	7	6.60	106	106	106	106	2	106½	100
Smith, Howard, com.	.	...	67	63	65⅞	62	1357	67	38
Do. pref.	8	7.61	105	103	105	103½	130	105	92¾
Span. River, com.	7	6.73	104	103½	104	104½	350	114¾	96½
Do. pref.	7	6.11	115	114½	115	115	261	120	108
Wayagamack	.	...	118¼	108	117	108⅞	3200	118¼	56
Steel and Steel Industries—									
B. E. Steel, com.	.	...	1½	1¼	1½	1⅜	735	3½	¼
Do. 1st pref.	.	...	21	19¼	20½	17½	1190	30	9
Do. 2nd pref.	.	...	4¾	3½	4	3⅝	5640	10¾	1
Can. Car & Found., com.	.	...	38	38	38	39	105	49	33
Do. pref.	7	8.43	83½	83	83	84	255	88	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	60	60
Can. Forgings, com.	.	...	..	...	...	...	...	17	8
Do. pref.	.	...	65	65	65	65	100	65	41½
C.G.E., com. (par $50)	.	...	..	...	...	...	...	53	47
Do. pref. (par $50)	7	6.14	58	57	57	57¾	133	60	53½
Can. Locomotive, com.	.	...	..	...	...	...	...	42	35
Do. pref.	7	8.04	87	87	87	87	10	89½	73
Canada Iron, com.	.	...	..	...	...	...	...	10	9
Do. pref.	.	...	..	...	...	...	...	42½	39
Dominion Coal	.	...	70	70	70	70	60	70	40
Dominion Iron, pref.	.	...	5	5	5	5	235	24¾	5
Dominion Bridge	4	3.77	106	106	106	106½	320	112¼	80
Dom. Radiator, pref.	7	6.86	..	...	...	...	...	103½	100¼
Dom. Steel Corp., pref.	.	...	25	22	25	20½	95	25	10⅝
Gould Pumps	7	6.98	..	...	...	...	...	100¼	100¼
Ford Motor	10	...	..	...	...	...	...	622	500
McKin. Ind. c. (no par)	.	...	24	24	24	27	25	31½	15
Do. pref.	7	7.29	96	95	95	96½	65	97½	87
Massey-Harris, com.	.	...	69½	69¼	69½	69¾	676	73	40
Do. pref.	7	6.82	102½	102½	102½	102½	196	102¾	93
N.S. Steel, pref.	.	...	20	20	20	25	20	25	20
Ontario Steel, com.	4+1	6.75	75½	74	74	74	95	78½	60
Do. pref.	7	7.00	..	...	...	...	...	103	98
Russell Motor, com.	3	6.00	..	...	...	...	...	50	39
Do. pref.	7	7.54	..	...	...	...	...	93	76
Sawyer-Massey, pref.	.	...	..	...	...	...	...	13	5
Steel of Canada, com.	7	6.08	116¼	110¼	115	110	4270	116¼	95⅛
Do. pref.	7	5.71	123½	122	122½	120½	126	123½	114
McKin. Ind. Voting Tr.	.	...	27	26	26½	27½	75	30¾	26
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	22	20¾	20¾	20½	1745	26⅝	18
Do. pref.	7	8.23	86	85	85	88	67	92	85
Atlantic Sugar, com.	.	...	28	24¾	27¼	25	5037	32⅞	21½
Do. pref.	.	...	81	80	80¾	78¾	575	88	75
B.C. Fishing	5	5.15	97	91¾	96½	95	11579	97	57¼
Can. Bread, c. (no par)	$2.50	2.79	89½	89	89½	89	110	95	53
Do. pref. (A)	7	6.30	111	110¼	111	110	20	112	105
Do. pref. (B)	7	6.69	104½	104	104	104½	22	107	96¼
Can. Canners, com.	.	...	13	12½	13	12	213	15	12
Do. pref.	4	5.88	70	67¼	68	67	2346	70	60
Canadian Salt	8	6.40	..	...	...	...	...	145	125
Christie Bis. c. (no par)	.	...	..	...	...	...	...	63½	31
Can. Bak., c. (no par)	.	...	34	34	34	34	20	37¾	26¼
Do. pref.	7	7.14	..	...	...	...	...	98	92
City Dairy, com. (par $25)	12	3.76	79¾	78½	79¾	79½	70	82½	65½
Do. pref.	7	6.19	113	113	113	113	7	113	107
Cuban Can. Sugar, com.	.	...	3¼	3	3	3¼	25	5	3
Do. pref.	.	...	27	24	26	25	147	28	21
Dom. Stores, c. (no par)	$2.40	3.66	66	63	66	62½	410	68	56
Wm. Davies (A) (no par)	.	...	30½	29¾	30	29½	415	37¼	27½
Do. (B) (no par)	.	...	10¼	10	10¼	10	100	12	10
Inter. Milling, pref.	7	6.66	105	105	105	104	25	106	98½
Lake of Woods, com.	12	7.74	160	154½	155	160	70	175	139
Do. pref.	7	6.08	..	...	...	...	...	118	115
Loblaw, com.	$1.00	2.32	43½	43½	43½	45	20	55	29¾
Do. pref.	7	6.68	104¾	104¾	104¾	104⅝	5	104¾	100½
Maple Leaf Mill, com.	.	...	..	...	...	...	...	88	50⅛
Do. pref.	7	7.10	100½	98½	98½	99	18	102	90
Ogilvie Flour, com.	5+5	5.00	200	197	200	198	112	200	165½
Do. pref.	7	5.83	..	...	...	...	...	125	117
Pure G. Mg. (no par)	50c	...	20⅝	19¼	20⅝	19	95	23½	17½
Shred Wh. c. (no par)	75c	5.19	59	57¼	58	57	1595	59	47½
St. Law. Flour, com.	.	...	33	33	33	33	75	45	26
Do. pref.	7	8.80	80	79½	79½	80¼	190	84	79½
Viau Biscuits, com.	.	...	25½	22	25½	27	575	28	18
Do. pref.	7	8.11	88	86¼	86¼	88	61	89	85
Western Groc., c. (new)	.	...	29	29	29	30	2	34½	24
Do. pref. (new)	7	8.80	..	...	...	...	...	80	62
Do. com. (old)	.	...	5½	4⅜	4½	5	70	13¼	3⅝
Do. pref. (old)	.	...	..	...	...	...	...	64	49
West. Can. Flour, com.	35c	5.82	24¼	24¼	24¼	24	5	25	18
Do. pref.	6½	6.56	..	...	...	...	...	100	97⅝
General Utilities—									
Bell Telephone	8	5.77	138½	138	138¼	138	320	141	136
Consumers Gas	10	5.79	173	172	172	173½	126	183⅞	170
Inter. Util. (A) (no par)	87½	...	29½	29½	29½	30	200	38½	29½
Calgary Power	.	...	51	51	51	50⅞	50	52½	50⅞
Cedar Rapids	.	...	..	...	...	...	...	50	40
East Koot. Power	.	...	..	...	...	...	...	33	25
Jamaica Pub. Ser., pref.	7	7.21	97	96½	96½	97½	33	99¼	96
Laurentide Power	5	4.16	120	120	120	120	15	130	100
Mackay, com.	7	5.60	125½	125	125½	126	170	138½	121¼
Do. pref.	.	5.63	71	70	71	70⅛	144	73½	68⅝
Mexican Light, com.	.	...	..	...	...	...	...	33	29
Do. pref.	.	...	..	...	...	...	...	86	64
Mont. L.H. & Pr., com.	$2	2.75	73	72½	72⅝	72½	7088	75	59
Do. pref.	.	...	..	...	...	...	...	50½	48½
Mont. Teleg. (par $40)	8	6.66	48½	48½	48½	48½	113	51½	47
Ottawa L.H. & Pr., com.	6	6.12	100	98	100	98	30	100	92
Do. pref.	6½	6.31	103	103	103	103	110	105½	100
Ottawa & Hull Pr., com.	.	...	28	28	28	29	5	30⅝	25
Quebec Power, com.	6	3.09	198	178	195½	174	6587	198	118
Do. pref.	7	3.62	196	178	195	174	4586	196	109½
Shawinigan	8	3.01	268	265	266	267	3587	270½	167½
Do., Rights	.	...	..	...	...	...	...	10¼	6½
South. Can. Pr., com.	2	2.23	90	88½	89½	90	70	98	81
Do. pref.	6	5.88	102	101½	102	101½	50	104½	99
Transportation—									
Can. Pacific Rly.	10	6.09	165¾	164	164	164	230	169	147
Can. Steamships, com.	.	...	31½	30	31½	30½	476	32	11
Do. pref.	.	...	93½	92	93½	93	2147	94⅝	56
Do. voting	.	...	28½	28	28½	30	460	30½	11
Tractions—									
Barcelona (par $50)	.	...	36¼	36	36	37	75	40½	26
Brazilian, com.	5	4.80	105	100½	104¾	105	40655	123½	80
Do. pref.	6	5.79	103⅝	103½	103½	103	210	108	97½
Detroit Un. Ry.	.	...	2	2	2	1½	10	3½	1½
Duluth-Superior	.	...	26½	26	26½	27	45	33¼	25
Illinois Traction, pref.	6	6.00	..	...	...	...	...	100½	96¼
Montreal Trams.	10	5.93	168½	166	166	166	11	190	159
Ottawa Traction	4+1	7.04	..	...	...	...	...	74½	60
Porto Rico Rlys., com.	.	...	49⅝	44½	49	44½	408	49⅝	40
Do. pref.	7	7.77	90	90	90	90	115	91	85½
Twin City, com.	5	8.06	63	62	63	62½	215	79½	58
Do. pref.	7	6.93	..	...	...	...	...	103	101
Winnipeg Elec., com.	1	...	59¾	58¼	59¾	59	3290	61¾	45¼
Do. pref.	7	6.89	102	101	102	101	117	103	95
Mont. Tram. Rights	.	...	9½	9	9¼	9	297	12½	9
Textiles—									
Can. Conn. Cotton, pref.	4	...	..	...	...	...	...	49	35
Can. Converters	7	7.25	98⅛	95	96¼	95	120	98⅛	90
Can. Cotton, com.	8	7.08	..	...	...	...	...	124	113
Do. pref.	6	6.33	95	94¾	94¾	95	15	99½	92½
Can. Woollens, com.	.	...	..	...	...	...	...	8	4
Do. pref.	.	...	..	...	...	...	...	56	45
Cosmos Imp., com.	.	...	15⅝	15	15½	15	444	16	14¾
Do. pref.	.	...	93½	93	93	93	90	93½	92¾
Dom. Textile, com.	5	5.20	96	95½	95¾	96	144	99⅛	89
Do. pref.	7	5.83	..	...	...	...	...	122	115
Monarch Knitting, pref.	.	...	50	50	50	40	67	50	30
Montreal Cottons, com.	6	5.45	110	110	110	110	35	115½	102
Do. pref.	7	6.08	..	...	...	...	...	115½	110
Penmans, com.	8	4.49	178	178	178	179¾	55	191	173
Do. pref.	6	5.97	102	100½	100½	102	26	104½	100½
Wabasso Cotton	4	4.34	93	91	92	94¼	190	94¼	60
General Industrials—									
Amer. Sales, c. (par $20)	4	5.97	67	64½	67	64½	290	70	54
Do. pref.	7	7.29	96¾	96	96	97	63	98	92
Asbestos Corp., com.	.	...	23½	22	22¾	23½	1513	25¾	16½
Do. pref.	7	8.59	82	80¾	81½	82	1183	83	62
Burt, F. N., com.	12	5.35	58¾	56	56	59	245	67½	50
Do. pref.	7	3.33	..	...	...	...	...	210⅛	210⅛
Building Products, pref	7	7.52	93	93	93	93	10	93	83
Brant Cord. pf. (par $25)	8	8.16	24½	24	24¼	24½	153	27½	24
Canada Cement, com.	6	5.21	115¼	113½	115	113¼	1655	115¼	98
Do. pref.	7	6.00	116½	116	116½	115¼	285	120	113
Dom. Rubber, pref.	7	...	..	...	...	...	...	87½	80
Can. Ind. Alc. (no par)	$1.28	5.26	24½	22¼	24¼	23½	12710	27	16¼
Crow's Nest Coal	6	9.12	65¾	65	65⅝	65	332	85	51
Dom. Glass, com.	7	7.56	92½	89½	92	92½	1175	105	81
Do. pref.	7	6.76	..	...	...	...	...	111	103
East. Theat. c. (par $25)	.	...	25	25	25	27	53	30	18¾
Do. pref.	7	7.36	95	95	95	94	1	95	83
Famous Players, com.	.	...	18½	18	18	19	104	21	11
Do. pref.	8	8.60	93	93	93	92½	15	94½	88
Gilman, com.	6	4.95	..	...	...	...	...	127½	104¼
Do. pref.	7	5.34	130	130	130	131	10	131	113½
Goodyear Tire, pref.	7+3½	7.21	97¼	96½	97	96	160	99¼	85
Holt Renfrew, pref.	7	...	..	...	...	...	...	90	84½
King Ed. Hotel	.	...	..	...	...	...	...	41	25
Kelvinator, com. (no par)	.	...	14½	14½	14½	15	120	20¼	14
Do. pref.	7	7.69	91	90	90	90	79	95¾	88
Lyall Construction	.	...	35½	35½	35½	34	100	48	20
Nat. Brew., c. (par $25)	4	6.06	66¾	65½	65½	66½	1475	72	56
Do. pref.	7	6.60	106	105	106	105	55	116	101¾
National Brick, com.	.	...	..	...	...	...	...	12½	8
Do. pref.	7	...	..	...	...	...	...	72	60
Pacific Burt, com.	6	6.45	93	93	93	93½	35	110	90
Do. pref.	7	6.60	106	106	106	107½	18	110	102
Page Hersey, com.	75c	5.45	55⅞	52½	54¾	53½	1538	55⅞	43
Do. pref.	$1.75	6.03	116	115	115½	115	344	116	100½



Speeding shipments through traffic's turmoil

Business doesn't wait for traffic. Shipments must be despatched on schedule, whether streets are empty highways or swirling with the transportation of a metropolis.

The man with a Heavy Duty Speed Wagon has found a quicker way through traffic's delays, a surer means of meeting deliveries regardless of conditions.

The Heavy Duty, like its lighter brothers in the Speed Wagon family, is light on its toes, quick to start, easy to stop, and a glutton for miles on the straightaway. And it is economical to operate.

Ask the men who have driven Speed Wagons—you'll find satisfied drivers, men who appreciate the ease with which a Speed Wagon handles, the comfort built in for man and load, the freedom from troubles on the road.

Then let a Speed Wagon representative prove to you how the Heavy Duty will meet your transportation needs. A 'phone call will reach him.

SPEED WAGON CHASSIS PRICES—Tax Paid

4-Cylinder	6-Cylinder	Heavy Duty
$1365	$1550	$2485

REO MOTOR CAR COMPANY OF CANADA, LIMITED
Windsor, Ontario

SPEED REO WAGON

	Div. Rate	Yield Nov. 22	High for wk.	Low for wk.	Close Nov. 23	Close Nov. 16	Sales for wk.	Range, 1926 High	Low
Port Hope Sanitary, com.	3	2.72	110	110	110	110	11	110	74½
Do. pref.	7	6.73	..	...	...	...	...	105	99
Rogers, Wm., com.	.	...	70	65	70	69	80	70	45
Do. pref.	7	7.36	97	95	95	95	11	97	90
Sher.-Williams, com.	6	4.19	140	140	140	143	50	148	125
Do. pref.	7	5.88	..	...	...	...	...	120½	110½
Sterling Coal	4	...	..	...	...	...	...	43	37
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	70	70	70	70	10	70	56
Tuckett Tobacco, com.	4	6.20	64½	64½	64½	63⅜	25	65	58
Do. pref.	7	6.73	..	...	...	...	...	105	100
Loew's, com.	.	...	..	...	...	...	...	40	36
Do. pref.	.	...	..	...	...	...	...	93½	90
Woods Mfg., com.	.	...	..	...	...	...	...	48	38
Do. pref.	7	8.43	..	...	...	...	...	90	77¾
Standard Chem., pref.	.	...	..	...	...	...	...	9	9
Trust and Loan—									
Central Canada	12	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	5.91	93	93	93	93	78	100	90
Can. Permanent	12	5.68	211	211	211	211	40	211	202¼
Colonial Invest.	6	...	..	...	...	...	...	7	4
Huron & Erie	7+½	5.55	..	...	...	...	...	135	127½
Landed Banking	9	5.66	..	...	...	...	...	159	150
Mont. Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	4.97	..	...	...	...	...	245	232½
Ontario Loan (par $50)	11	5.00	110	110	110	104	27	110	103½
Real Estate Loan	7	7.73	..	...	...	...	...	90½	83
Toronto Gen. Trusts	12	5.38	223	223	223	222	44	225	220
Toronto Mtge. (par $50)	10+1	5.61	..	...	...	...	...	100	93½
Union Trust	7	6.79	..	...	...	...	...	105	98

THE CURB MARKET

	Div. Rate	Yield Nov. 22	High for wk.	Low for wk.	Close Nov. 23	Close Nov. 16	Sales for wk.	Range, 1926 High	Low
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	...	39	34¼	39	36⅜	845	43¾	7
Beacon Oil	.	...	17¾	16	17⅛	16	555	19½	14¼
Belding, pref.	7	8.75	80	80	80	79	30	101	75
Brewers & Distillers	.	...	4½	4½	4½	4½	200	5	4¼
Can. Nor. Pr., com.	.	...	37⅜	37⅜	37⅜	36	15	37⅜	28
Brit. Amer. Oil (par $25)	10	3.57	71½	68	69⅞	68¼	14104	71½	47
Can. Nor. Pr., pref.	7	7.08	99	97½	98⅜	98	533	99	89¼
Can. Oil, com.	5	5.86	..	...	...	...	...	91	65
Do. pref.	8	7.04	113⅝	112	112	112½	86	114	109
Cockshutt, pref.	.	...	68	67	67	67	35	73	57¼
Continental Oil	$1.00	5.25	19¼	19	19	18⅜	31	26	17⅞
Cosgrave Brew.	5	...	5⅝	5¼	5⅜	5¼	1180	6½	5
Dom. Eng.	.	...	123	120	125	120	112	123	65
Dom. Power, pref.	7	6.91	..	...	...	...	...	101¼	101¼
Dryden Power (no par)	.	...	11½	11	11⅛	11	260	12	5½
East Engineering	.	...	..	...	...	...	...	2½	1
Eng. Elec., com. (no par)	.	...	15	15	15	17½	8	24½	15
Do. pref.	.	...	73½	73	73½	74	30	75	59½
Fraser, pref.	7	...	..	...	...	...	...	94½	94½
Hamilton Dairies	.	...	24	22¼	24	22¼	210	24	21¾
Good. & Worts	$1.00	2.91	34	33¼	33¾	33½	3190	36½	27½
Illinois Power, pref.	7	...	..	...	...	...	...	99¾	96
Imperial Oil	$1x25c	3.31	37⅞	36⅜	37	37⅝	3270	39⅝	32½
Inter. Petroleum	75c	2.42	31½	31	31⅛	31⅛	795	35½	29¼
Manitoba Power	.	...	42	40	42	48¾	429	48¾	24
McColl Bros., com.	80c	...	22½	22	22	22	306	24⅜	18⅞
Do. pref.	7	...	99	97	97	99	120	99½	95
Mount Royal, pref.	.	...	..	...	...	...	...	42¼	42¼
Newsprint Co.	.	...	..	...	...	...	...	27	18
North St. Oil, c. (par $5)	.	...	..	...	...	...	...	125	75
Do. pref.	7	...	485	475	475	475	450	490	450
Nor. Mex. Pr., com.	.	...	43½	42	42	43½	70	55	40
Do. pref.	7	8.43	..	...	...	...	...	85	80
N.S. Car, com.	.	...	..	...	...	...	...	15	7½
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	..	...	...	...	...	99	75
Power Corp. (no par)	.	...	26	24¼	26	24	802	28¼	22
Pressed Metals	.	...	..	...	...	...	...	40	30
Seagram	.	...	15⅛	14½	14⅞	14⅜	13615	15⅛	14½
Simpson, Robt., pref.	6	5.95	..	...	...	...	...	102	99
St. Law. Pr. (no par)	.	...	55	53¾	54	53½	352	60½	35
Do. pref.	8	7.30	..	...	...	...	...	109½	103¾
St. Maurice Valley	.	...	61	60	60	60	716	65	40
St. Maurice Pr.	.	...	100½	99	100	100½	11	101	72½
Tram. Power	.	...	..	...	...	...	...	73⅛	73⅛
Toronto R. S.	.	...	..	...	...	...	...	195	110
Un. Secs., com.	.	...	50	50	50	51¼	25	65	50
Do. pref.	6	5.71	105	104¾	105	104¾	32	105	102
Volcanic Oil	63c	...	34	32½	34	32	287	34	26
Ottawa River Pr.	.	...	25	25	25	...	10	25	25
Power Corp., pref.	.	...	92	92	92	92½	71	92½	92
Ottawa Mont. Pr., pref.	7	...	18	18	18	...	45	18	18
Sover. Secs.	.	...	160	150	160	...	1504	160	150

U.F. CO-OP. TO WRITE DOWN ITS CAPITAL

Remove Deficit by Giving New Stock for Old — Two for One

United Farmers' Co-operative Company, an Ontario farm organization with some 20,000 shareholders, proposes to wipe a $500,000 deficit from its books by a capital re-adjustment This takes the form of re-issuance of one share of no-par value stock for each $12.50 that has been already paid in by shareholders. This will cancel the liability of shareholders who have not completed payment for their stock. Those who have paid the present $25 par value for their stock will get two new shares for each one now held. It is hoped to establish an active trading market for the new stock.

Profits for the year to Sept. 30, 1926, show up well, having amounted to $72,378, in addition to the commodity dividends returned to shippers. From this various payments were made, and surplus for the year amounted to $60,801, an increase from the 1925 surplus of $50,055.

Directors recommend a dividend of 4 per cent. on the stock, as against 3 per cent. last year.

H. B. Clemes, general manager, and his fellow directors, states in the annual report that the proposed capital change "in no way impairs the actual value of the stock, and will enable the company to pay any dividend which may be earned, and, furthermore, lends itself to the pool principle of co-operative marketing, which has been such a marked success. Your company has sufficient funds to carry on this business and take care of reasonable expansion.

"You will be pleased to know that our new home, at the corner of Duke and George Streets, is now complete, and all the departments, with the exception of the livestock department at the Stock Yards, are co-operating under one roof, and, best of all, the new buildings and grounds have been paid for in full as the work progressed."

The statement shows that $82,000 is being disbursed to cream shippers and $30,000 to egg shippers.

	1926	1925	1924
Net profits	$72,378	$60,708x	$70,292
Loss on oper.	....	....	16,906
Written off	....	4,489	6,000
Inc. tax	5,865	6,164	4,766
Fruit Judgment	2,913	.....	.....
Capital expense	2,799	.....	.....
Surplus	$60,801	$50,055	$42,620

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xEleven months.

Canada Cement Stock Makes New Records

From Our Own Correspondent.

MONTREAL.—The common shares of the Canada Cement Company have broken record high ground for all time. It is said that the recent rise in the shares has brought out some investment stock, but apparently all offerings are readily absorbed. As far as can be learned, there is no change in the cement situation in the province of Quebec. It looks as if the stock is being bought at present by those who are prepared to wait until the company's bonds are retired in 1929, at which time it is expected that the management will increase its disbursements to the shareholders.

Licensed to Write Insurance

Dominion license has been issued to Canada Security Assurance Company to write plate glass insurance and inland transportation insurance.

BUFFALO QUOTATIONS

BONDS	Bid	Asked
Buff. Elec.-Chem. 7s '41	99½	101½
Bfo-Ft. Erie Bdge 7s '55	106½	108½
Do. 8s '45	106½	108½
Buff. Gen. Elec. 1st 5s '39	102⅝	...
Do. ref. 5s '39	102½	...
Niag. Falls Pow. ref. 6s '32	105	106
Do 1s & con. 6s 1950	105¼	106¼
STOCKS		
Buff. Niag. & E. Pow	30¼	31
Do. pf.	25¼	25⅜
Niagara Falls Pow. pf.	28	28⅜
Niagara Lock & Ont. pf.	112½	114
Shredded Wheat new	58	59½

UNLISTED SECURITIES

	Bid	Asked
Alberta Pac. Grain, Com.	17	20
Do., pref.	83	86
Brooks Motor 1 pref. & 1 com.	6	7
Do., 1 pref. & 2 com.	8	9½
Can. Machinery, com.	4	7
Can. Westinghouse, com.	167	171
Farmers Dairy, com.	60	..
Dunlop Tire, pref.	84	90
Chase, A. W., com.	5	5
Do., pref.	90	85
Fanny Farmer, com.	26	28
Federal Alcohol & Dist.	7	8½
Goodyear Tire, com.	75	85
Do., 6% pref.	93	96
Gunns, Ltd., pref.	25	28
King Edward Hotel, Deb. A.	78	81
King Edward Hotel, Deb. B.	60	63
Loew's London, com.	4	5
Loew's Buffalo, pref.	53	58
Mount Royal Hotel, com.	6	7½..
Nat. Grocers, 1st pfd.	98	..
Nat. Grocers, com.	2	5
Continental Life 20% paid	40	46
Crown Life	128	..
Empire Life	25	30
Excelsior Life 29% Paid	63	..
Great West Life	400	440
Monarch Life 10% Paid	29	31½
Mortgage Discount, pref.	7	7½
Ontario Equitable	21	25
Re-Insurance	21	25
Security Life 40% Paid	26	31
Sun Life, 75% paid	525	..
Toronto Finance, pref.	2½	3½
Willard's pref.	67	71
Canada Life	600	..
Capital Life 25% paid	20	24

St. Maurice Valley Corporation

Successors to

Belgo-Canadian Paper Company, Limited,
Shawinigan Falls, P.Q.

St. Maurice Paper Company, Limited,
Three Rivers, P.Q.

Yearly Output—195,000 Tons Newsprint

Head Office:
MONTREAL-QUEBEC

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office:
CHICOUTIMI, P.Q.

Cable Address:
"SAGUENAY,
CHICOUTIMI"

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE QUEBEC

PORT ALFRED PULP & PAPER CORPORATION

Newsprint and Sulphite Pulp

HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.

Mills at PORT ALFRED, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

Penmans
LIMITED

Manufacturers of High-Grade
Knit Underwear, Hosiery, Sweaters

MILLS AT PARIS, Ont. BRANTFORD, Ont. LONDON, Ont. WATERFORD, Ont.
ALMONTE, Ont. COATICOOK, Que. and
ST. HYACINTHE, Que.

General Office: Paris, Ont.

Selling Agents to Wholesale Trade:
JOHN GORDON & SON,
Toronto and Montreal

PEN ANGLE KNIT-GOODS

SELLING AGENTS TO RETAIL TRADE
Edward Burns Co., Ltd., Toronto, Ont.
B. S. MacFarlane, Montreal, Que.
John J. Wilson, St. John, N.B.
Bryce & Co., Ltd., Winnipeg & Vancouver.
EXPORT REPRESENTATIVES
J. J. Jardine, St. John's, Nfld.
H. W. Airey, Ltd., Auckland, N.Z.
L. C. Carrick, Cape Town, South Africa.
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutcliffe, London, Eng.
W. E. Goodman, Manchester, England.

THE STANDARD TRUSTS COMPANY
OF WINNIPEG, MANITOBA

INVITES the patronage of Western people as well as that of Eastern people having interests in the West requiring attention.

Nearly a quarter of a century in business, it was the first Trust Company to operate west of the Great Lakes, having its head offices there, and, with a Directorate of leading business men, well versed in Western affairs, it is capable of giving unquestionably good advice to all clients and patrons on matters fiduciary.

It is especially equipped to handle executorships, administrations, and trusts of all kinds, investments, rentals and other collections.

BRANCHES: SASKATOON, EDMONTON LETHBRIDGE, VANCOUVER

Pulp and Paper

CANADA PAPER AND VALLEY GROUP SOON TO MERGE

Can. Paper Common Shareholders Get One St. Maurice for Two Now Held

From Our Own Correspondent.

MONTREAL.—The Saint Maurice Valley Corporation is to acquire the Canada Paper Company; the shareholders of the latter will receive one share of St. Maurice for every two which they now hold. The offer is acceptable to the majority of the common shareholders of the Canada Paper Company.

In order to allow for the acquisition, the St. Maurice Valley Corporation is calling a meeting of shareholders on December 14 to authorize an increase in the common shares of which there are at present 150,000 authorized and outstanding. The shareholders will be asked to increase the authorized common stock to 35,000 shares.

As the Canada Paper Company has outstanding 20,000 common shares, the issuance of a further 10,000 shares of St. Maurice will be needed to complete the deal. St. Maurice will thus have unissued 190,000 shares of common stock. It is thought that the corporation aims to issue this at some future date when further additions are made to the present company through further consolidations.

Will Be a Subsidiary

Ranking senior to its common stock the Canada Paper Company has outstanding $1,250,000 in 7 per cent. preferred shares and $2,000,000 in 6 per cent. bonds. These, of course, will still be outstanding and the company will be operated as a subsidiary.

The Canada Paper Company, and its predecessor company, has been operating since 1864. At the beginning of this year a new company, bearing the same name, was incorporated and acquired the assets of both the old company and Kilgour Brothers, of Toronto. The company's annual output consists of 13,500 tons of newsprint, 7,500 tons of wrapping, book and writing paper, and white and colored paper specialties, 29,000,000 paper boxes, 300,000,000 paper bags, and 60,000,000 shipping tags.

By the consolidation, savings will be made. This will include savings in forest operations, for the Canada Paper Company owns limits situated on watersheds controlled by the St. Maurice Valley Corporation. The surplus sulphate pulp production of the St. Maurice Valley Corporation can be utilized in the plants of the Canada Paper Company and ultimately it is intended that the larger corporation should take over the newsprint output of the Canada Paper.

Canada Paper's Plants

The Canada Paper Company operates four manufacturing units, three at Windsor Mills, P. Q., and one at Toronto. At Windsor Mills there are four paper also owns one-third of the comphate and groundwood pulp installations, and twenty-five paper bag machines. At Toronto there is installed a complete equipment for the conversion of various types of paper into various commodities.

It owns also freehold timber limits on the St. Francis River, and leases a large area from the province of Quebec. The company produces 6,000 hydraulic horsepower from its own water power site on the St. Francis. About 40 per cent. of its output is sold in Canada, 45 per cent. in the United States, and 15 per cent. in New Zealand and South America.

The St. Maurice Valley Corporation is the outcome of the largest merger of paper companies in Canada. The corporation operates two mills, one at Three Rivers, P. Q., with a daily capacity of 265 tons of newsprint and 65 tons of sulphate pulp, and one at Shawinigan Falls, P. Q., with a daily capacity of 500 tons of newsprint; the latter will be increased to 600 tons before the end of the year. By the end of 1926 the St. Maurice Valley Corporation, including the Canada Paper, will have a capacity of over 900 tons daily—the largest daily production of any Canadian paper company.

Owned by Belgo Company

The Shawinigan Falls plant of the corporation is owned by a subsidiary, the Belgo-Canadian Paper Company; over 90 per cent. of the common stock of the latter is owned by the St. Maurice Valley Corporation. Thus, it has been possible to operate both plants as a unit.

The St. Maurice Valley Corporation also owns one-third of the of the common shares of the Anticosti Corporation, which owns outright the island of Anticosti and from whence the corporation obtains annually a portion of its raw material.

At the present time the authorized capital stock of the St. Maurice Valley consists of 150,000 shares of no par value common stock, all of which have been issued and are outstanding, and $10,000,000 of preference stock, of which $6,800,000 have been issued and are outstanding. There is also a $10,000,000 bond issue outstanding.

ST. LAWRENCE PAPER STARTS NEW MACHINE

Second Machine Starts Dec. 10, Capacity Then Will be 325 Tons

From Our Own Correspondent.

MONTREAL.—The first of the new 80-ton newsprint machines being installed by the St. Lawrence Paper Mills has been turned over this week; next week pulp will be fed into the machine and it will be producing paper. The installation of the second new 80-ton machine is practically completed, and will be producing paper by December 10 next. This will complete the company's expansion programme. When the machines have been tuned up, the mills will have an output of 325 tons of newsprint daily.

As far as the common shares are concerned, it is significant that the present extension of the properties has been accomplished without any increase in the common stock, of which there are at present 50,000 shares outstanding.

The undertaking was financed by a new bond issue which also retired a senior issue. Further timber limits were acquired by the issuance of ten-year, sinking fund, mortgage debentures, which carried with them a bonus of stock-purchasing warrants. These warrants cannot be used before March 1, 1927, and entitle the holders to purchase the common stock at $50 per share, three shares of the common stock for each $1,000 mortgage debenture held. As the total authorized debenture issue is but $2,000,000, this means that, at that time, provided all the options be exercised, the common stock outstanding would only be increased by some 6,000 shares. From the shareholder's angle, this is, of course, satisfactory.

Like all the other newsprint producers, the future market price of St. Lawrence Paner Mills common depends not on betterments and improvements to the company itself, but simply and solely upon the demand for newsprint in the United States market during the months to come. As informed opinion generally seems to feel that 1927 may see some slowing up in the demand for newsprint, the common shares of this company, like any other newsprint producer, present no particular attraction for a short hold.

On the other hand, any investor who is holding stock with the idea of keeping it salted away for three or four years can sit back and watch with equanimity any market ups or downs which may be caused by the laws of supply and demand in the newsprint market.

BROMPTON COMMON PRICE DISAPPOINTS

But Stock Still Appears to be Well Worth Holding for the Long Pull

From Our Own Correspondent.

MONTREAL. — The shares of the Brompton Pulp and Paper Company during the past year have not kept pace with the general market appreciation in the paper stocks. The real factor which has retarded such appreciation has been the difficulties encountered over the past few years by the company's U. S. plant at Groveton, New Hampshire. At one time this mill was supplying large quantities of kraft paper to the textile mills in New England; the latter fell on evil days, due to the increased competition of the southern mills.

The southern textile mills, however, purchased their kraft paper requirements in a great measure from the nearby kraft mills of the southern states. Hence, the difficulties experienced by the Groveton mill.

Brompton's other American subsidiary, the mill at Claremont, New Hampshire, is making money. The Groveton mill is at present installing further machinery which will, early in 1927, increase its output of paper specialties. The cessation of some of the business from textile mills in New England necessitated changing over a great portion of this plan's output to other lines.

Over the past three years, Brompton's earnings have been increasing, and the annual report this year will show a material improvement in the net. In 1927 it is anticipated that this will be increased still further by the company's initial output of 100 tons of newsprint, which is scheduled to come on the market on January 1, 1927.

During the past year the stock has shown some appreciation, but not as much, though, as many anticipated a year ago. The company has a value over $100 per share behind its common stock, but its earning power is not equivalent to the amount which it has invested in plant and in timber.

One or two years ago the common shares of Brompton looked like a good hold. In the meantime no new factors have entered into the situation which would alter such a supposition. The basic reasons for any such conclusion are still unchanged. Brompton has excellent forest resources; it is well situated with regard to markets; it is under able management, and its earnings and financial position are undergoing a steady improvement.

Broadly speaking, the future of the common stock depends on one thing, and one thing alone. The demand for pulp and paper in the United States during the months, or years, to come. If the pulp and paper market continues strong, the shares of Brompton are a buy—if the supply of pulp and paper exceeds the demand, Brompton common would probably again depreciate somewhat on the market.

One of the reasons why the stock is so low lies in the fact that at the moment the newsprint market in 1927 does not give any indications of strength.

Abitibi Power & Paper Will Build New Mill

From Our Own Correspondent

MONTREAL.—The Abitibi Power and Paper Company has completed negotiations with the Ontario Government and will erect a new 200-ton newsprint mill at Cochrane, Ontario. At the moment plans for the project are being worked out and construction will start on the plant as soon as these are completed. Cochrane is situated at the junction of Temiskaming and Northern Ontario Railway, and the National transcontinental line, not far from Abitibi's present plant at Iroquois Falls.

Either Abitibi will own the new mill outright or it will be owned by a subsidiary company which will be wholly owned by the parent company. As yet no new financing arrangements have been completed.

Work on the new mill will probably commence in the spring of 1927 and be completed a year later; at which time the plant will obtain its power requirements from Abitibi's Island Falls plant. At the present time Abitibi has surplus power which will be used in the construction and ultimate operation of the new mill.

Wayagamack Not Merging But Perhaps Give Bonus

From Our Own Correspondent.

MONTREAL.—The strength exhibited by the shares of the Wayagamack Pulp and Paper Company brought forth the usual crop of rumors of a merger, to which added impetus was given by the fact that the St. Maurice Valley Corporation is increasing its authorized capital stock in order to acquire all the common shares of the Canada Paper Company. It was said that probably the financial structure of St. Maurice would thus allow for the acquisition of Wayagamack, but inquiry amongst those close to both companies indicates that no negotiations leading to such a merger are in progress at the present time. It was said that the shareholders of Wayagamack would be offered one, or one and a quarter, shares of St. Maurice in exchange for the new no par value stock of Wayagamack which will shortly be distributed in the ratio of two of the new for one of the old.

Another more interesting rumor which started coincident with the rise in the shares indicates that the Wayagamack shareholders are to receive a $3 bonus for the current year on the new no-par value stock.

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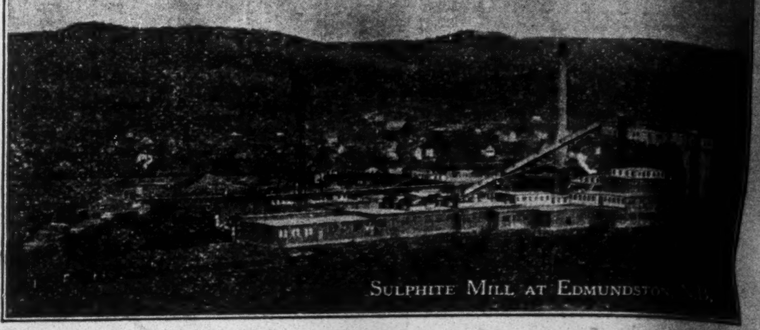

Sulphite Mill at Edmundsto

Abitibi Power & Paper Company
Limited
NEWSPRINT
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Atlantic Sugar Refineries
LIMITED
Lantic Sugar
General Offices
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MONTREAL
Refineries - St. John, N.B.

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Lawns, Nainsooks, Cambrics, Longcloths, Broadcloths, Shirtings, Pillow Cottons, etc.; fine coloured cottons, Corset Fabrics, Yarns, etc.; Wacosilke, a new fabric made from finest Wabasso combed yarns and Celanese Brand yarns combined.

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Public Utilities

1,886 BUY STOCK SOLD BY DOMINION POWER, HAMILTON

Customer-Ownership Campaign Results in 8,438 Shares Being Distributed

MANY PAY ALL CASH

Comparatively Few of New Holders Take Advantage of Offer to Pay for Stock on Instalment Plan

The Dominion Power & Transmission Co., which serves the Hamilton-Niagara area with electricity and trolley transportation, has added 1,886 shareholders to its lists as a result of the recent customer-ownership campaign. The campaign ended the day it began, November 15th, and while it was planned to sell only 5,000 shares, the salesmen, employees in various departments of the company, had disposed of 8,438 shares of the 7 per cent. cumulative preferred before they could be called off.

This was the first important customer-ownership campaign conducted by a company in Ontario, and among the earliest in Canada. The company views the distribution with the greatest satisfaction. With the stock widely distributed among street-car riders and among consumers of electricity it is safe to assume that public goodwill can be more easily held.

Many Pay Cash

According to W. E. Phin, president of the Dominion Power, a surprising proportion of the applicants for stock agreed to pay cash in full. Interesting figures as to the stock offering follow:

Number of applicants, 1,886. Maximum number of shares allotted any applicant, 10.

Number of applicants forwarding cash with order, 1.100.

Shares allotted for cash in advance, 5,445.

Applicants ordering shares C.O.D., 181.

Shares ordered C.O.D. 1,154.

Applicants agreeing to pay for the shares on instalment plan, 558.

Instalment shares allotted, 1,360.

Interest paid on instalments received short of full amount for stock 6 per cent.

Prepare Carefully

The company prepared for the campaign by issuing circulars to consumers and car-riders setting forth the advantages of the offer from an investment viewpoint. Dominion Power's position has been improved immensely by its getting rid of an onerous and impossible contract with the city of Hamilton for street-railway service. The company appears also to have the goodwill of the public in the area it serves. The exclusive franchise for power in Grimsby a thriving town, and the suburban electric service out of Hamilton also are factors which should not be overlooked in estimating the value of the company's securities from an investment viewpoint.

Montreal Water & Power Shareholders Have Offer

From Our Own Correspondent

MONTREAL.—The control of the Montreal Water and Power Company has changed hands. The company has long been identified with the firm of Hanson Brothers, investment bankers, who in selling their holdings to the new interests made a stipulation that the same offer to purchase would be made to the minority shareholders. This is $85 a share for the common and $100 a share for the preferred. The common stock pays ten per cent., but has a par value of $25. Thus the price which the new interests are offering the shareholders is the equivalent of $340 on a $100 par value basis. A good deal of speculation is current regarding just who are the new interests behind the company, but the transaction has taken place through a trust company and no information on the subject has been given out.

In advising the shareholders that the majority interests have sold their stock in the company, Hanson Brothers say:

"We beg to advise you, as a registered shareholder of the Montreal Water and Power Company that the holders of a large majority of the shares of the Montreal Water and Power Company have disposed of their interests in the company, at $85 per share for the common stock, and $100 per share for the preferred stock, payable in New York funds.

"We beg to further advise you that in the above mentioned sale, the vendor majority group imposed a condition that every other shareholder of the company should have the right to sell his shares at the same price. This right, however, continues only until the 15th of December next, by which time such stock must be delivered in New York City.

"It is not compulsory for you to sell your shares, but if you decide to do so, we shall be glad to act for you in carrying your sale into effect, and in this connection beg to say that we shall not charge you any fee for our services. The only expense to which you would be liable would be the Government stamp duty on the transfer of the shares."

Canada Electric Grants Amherst Rate Reductions

For some weeks, negotiations have been carried on between the lighting committee of the town council of Amherst, N. S., and the management of the Canada Electric Co., looking toward a new street lighting contract, and a contract to supply power to the town pumping station, which would be converted for the use of electric pumping in place of steam, as at present.

The company's proposals have been submitted. These include a new general rate schedule for power, lighting and heating, which the company proposes to make effective in conjunction with the contracts for pumping and street lighting.

The street lighting proposals called for a ten-year contract, involving a fifty per cent. increase in candle-power, without any increase in cost. It has been finally agreed that a one-year contract be made for the continuance of the present street lighting service at a substantial reduction in price.

It is anticipated that by the time of the contract's expiration the town will be in a position to enter a contract for an enlarged programme for street lighting. Otherwise, the company's proposals have been accepted unanimously by the council, and steps will be taken, immediately, to take the necessary vote of ratepayers, to authorize the expenditure in connection with the electrifying of the pumping station.

The new power rates represent a reduction of over forty per cent. in the rates now in force.

The lighting rates are also reduced over thirty per cent.

These rates are to be effective on the completion of the company's new plant at Maccan, about the first of January next.

The company also proposes a further substantial reduction in both light and power rates, when the town of Amherst shall have increased its load to the extent of half a million k. w. annually, and it is anticipated that this goal can easily be reached within a short time.

Iron and Steel

BESCO ROLLING NOW 59,000 TON C.N. RAIL ORDER

Steady Employment at Sydney Steel Plant Until Next Summer

SYDNEY.—Despite official reticence, details leaking out from time to time indicate that the Cape Breton coal and steel outlook continues to show a very rapid improvement.

Besco, after years of hard luck, seems to be getting some of the good breaks at last.

With 25,000 tons of rails for the C.P.R. complete, the Sydney mills have started to roll C.N.R. orders totalling 59,000 tons more.

These are in three lots: 25,000 tons for the usual sections of the road supplied from Sydney; 7,000 tons for mountain work in British Columbia and 27,000 tons for other purposes.

In addition, Sydney is also working on an order of 10,000 tons of tie-plates and other accessories to fit the new 39 foot length rail.

Steady Employment Until Summer

All these things mean steady employment at the plant well into next summer, and the payroll has risen to near 3,000 men.

The outlook for the steel export trade is better, particularly in the direction of South America. A. M. Irvine, general coal sales agent, recently returned from Brazil and the Argentine with very good reports.

The expectation is that the new European steel combine will so manipulate prices that a lot of the South American business will be driven to North America.

Activity continues at the coal mines with the outlook exceptionally good. Sydney steel plant will take about 3,000 tons a day and there is to be some winter shipping to Montreal via Louisburg and Portland.

Preparations are going forward for banking at New Aberdeen where there is space for half a million tons or more.

Further Details British Order

The Financial Post was a week ahead of all others with the announcement that Besco's entire winter output has been sold to British interests and will be shipped overseas from Louisburg.

Further details since obtained show that 10 additional steamers have been chartered at 25s. a ton for December loadings, 22s. 6d., January 1-15; and 21s. 3d., January 15-30.

It is assumed that these will be in addition to the regular Black Diamond fleet of 15 steamers, so that altogether a steady procession of colliers will be plying the Atlantic this winter to and from the Old Country.

The company has also found a promising market in South America and would be shipping there now but for the current demand for coal in Montreal and England. This is a field that will be developed in the near future.

As was feared, the arrival of 80 Old Country miners has caused apprehension and criticism particularly at Springhill where about 70 men were recently thrown out of employment by water breaking into No. 2 pit from some abandoned workings on higher levels. The strangers will doubtless be all right as long as the boom lasts, but what they are to do if slack times cause a lay-off is the moot question.

OTTAWA AND HULL EXPANDS

MONTREAL.—The Ottawa and Hull Power Co. has extended its transmission lines to the town of East Templeton, P.Q., and has connected up with the plant of the Canada Glass Products Co. A power contract has been closed with the latter company.

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Pulp Mill Machinery
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LARGER OUTPUT AT BESCO PLANTS BREAKS RECORDS

But Earnings, Especially on Steel, Are Still Unsatisfactory

Special Correspondence.

MONTREAL.—Due to the fact that the British Empire Steel Corporation is experiencing better business in the coal and steel departments of its business, there has taken place a moderate revival of investment interest in the securities of the corporation and its subsidiaries. While, no doubt, the increased activity will produce better earnings, yet the investor cannot forget that, especially in the steel end of the business, such orders as have been obtained under present conditions are accompanied by but a small margin of profit. In other words, increased activity does not necessarily mean very much increase of profits.

Probably the coal end of Besco's business is bringing better earnings than is the steel end. This is probably so, due to the prolonged coal strike in Great Britain. While the steel business has picked up, this is in a measure but a seasonable variation; furthermore, while the demand for coal has aroused a certain amount of stock buying, it cannot be forgotten that this increased activity depends to a major degree simply and solely on the duration of the British strike.

Has Created New Records

Some indication of the way in which the strike has affected Besco may be judged from the fact that the best daily output in eleven years has just been raised at the collieries of the Dominion Coal Company, and incidentally the combined outputs of the British Empire Steel Corporation collieries in the province was the best since the merger. Output from the twelve collieries of the Dominion Coal Company totaled 19,402 tons, the best since July 27, 1915, when the tonnage was 20,010.

Besco reorganization plans are apparently assuming a more definite form, and it is understood that when the reorganization does take place it will be thorough and most complete. As Besco still controls the Dominion Coal Company—the foundation upon which the other industries are based—and controls also the Halifax shipyards which, because it has no bonded indebtedness cannot become a liability, it seems that the Besco shareholders will have a vital part to play in the forthcoming reorganization.

More Consideration for Steel

As far as the future of the steel industry is concerned, it is thought that eventually Ottawa will provide adequate protection for this industry.

One of the grievances of the Maritime Provinces is that, on an ad valorem basis, the duty afforded Cape Breton steel has steadily been reduced since Confederation. Again, it is pointed out that tariff regulations have steadily allowed more and more steel to enter duty free for futher fabrication in Canada. Thus, the Maritimes claim the Nova Scotia steel industries deserve further consideration at the hands of the government. It is thought this will be afforded.

That orders are coming in in some magnitude to the Dominion Iron and Steel Company is seen by the fact that the courts this week authorized two borrowing orders for the company. One gave the company the right to borrow from bankers $1,202,000 on the security of a contract to supply the Canadian Pacific Railway Company with 25,000 steel rails at Vancouver and Fort William, and the second was an order to borrow $1,105,000 on the security of an order from the Canadian National Railways for 25,000 steel rails at Sydney, N. S.

ENLARGE VICTORIA RUBBER MILL

The Sidney Rubber Roofing and Paper Co., Victoria, are extending their plant at a cost of $100,000. They started a few years ago in a modest way, but now ship large quantities of roofing paper to Australia. They are now making cardboard boxes as a sideline.

Features of Our Service

900 Branches—Serving Canada and twenty other countries — each Branch a direct channel of first-hand information.

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The Royal Bank of Canada

@631

Build Million Dollar Plant

The Board of Harbor Commissioners at Toronto has leased a three-acre site on the waterfront to the British firm of Crosse and Blackwell, jam and pickle makers, at $5,000 per annum, with the option of purchase at $10,000. J. C. McGoff, managing director of the firm, states that a factory will be set up at the cost of about $1,000,000 which will employ from 1,200 to 1,500 hands.

SASKATCHEWAN

Saskatchewan's Dominant Dailies, together with Saskatchewan's only Farm Magazine, give Maximum concentration, tremendous buying power and complete coverage in this Great Market at an unusually low outlay.

We have more than
500,000 Cash Customers
for Your Goods!

GOVERNMENT returns place the estimate of Western Canada's 1926 wheat crop at slightly over 375,000,000 bushels. Saskatchewan, of course, provides the lion's share of this and from every source, private and official, comes the assurance that grading is going much higher than at one time had been expected.

Prices are well ahead of 1925: shipments in live stock and dairy products etc., are unusually heavy. Money is being freely spent on a building programme in city, town, and on farmstead that the province has not seen in many years, and storekeepers are confidently providing for a record Christmas traffic.

Let us lead you right into the thick of it!

Saskatchewan's outstanding Daily Newspapers, Regina Morning Leader and Evening Post and Saskatoon Morning Phoenix and Evening Star and Saskatchewan's only Farm Magazine, "Saskatchewan Farmer", are received into over 85,000 homes of the Province with the regularity and certainty of sunrise.

This great selling force—the most influential power in salesmanship in Western Canada—is read by approximately **half-a-million** prosperous Saskatchewan citizens, a clientele which represents practically one third of the entire Western population.

SASKATCHEWAN
"THE WORLD'S WHEAT BIN"

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Phone Elgin 4622

AN IMPROVED BUSINESS OUTLOOK

Remarkably Strong Statement Presented to Shareholders at Annual Meeting of Imperial Bank of Canada

Deposits Pass $100,000,000 Mark

President Reviews Canadian Business Conditions—General Manager Comments Upon 52nd Annual Statement

Mr. Peleg Howland, the president, in his address said:

"It is with satisfaction that your Directors lay before you to-day the result of the Bank's business for the past fiscal year. The management has been able to show a considerable increase in the profits, which have permitted the payment of the usual dividend and the bonus of one per cent and the carrying forward of a sum substantially in excess of last year. The results have been obtained by care and reasonable economy, favored by some expansion in business and a ready market on call for surplus funds, abroad and at home, offsetting the somewhat lower returns from other sources.

"Once more I have to yield to custom and repeat to you my impression of conditions as conveyed to me from the various sources available.

Grain Crops.

"The country has again been blessed with abundant field crops, though not equal to those of the last year! They have been harvested under very unfavorable weather conditions, particularly in the Prairie Provinces and Ontario. The wheat crop in the West is estimated to be nearly as great as last year's, but it has suffered in grade, and has not yet all been threshed. Coarse grains are short, but the information obtainable would lead to the belief that the returns to the Western farmer will be good, and that owing to the reduction in his debts from the proceeds of the previous crop he will have more money to spare than for some time past.

"In this Province roots have suffered from excessive rains, potatoes markedly being a short crop, as against which pasturage has benefited and cattle have been able to run later than usual.

"On the prairies there is an unusual amount of moisture in the soil for the spring growth, but fall work both West and East has been retarded. Definite figures are not yet obtainable, but I believe there has been during the year an increase in the number of live stock and in the products of the dairy.

Farm Produce.

"The prices of butter and cheese are lower. Hog-raising has again been profitable. The production of poultry and eggs has increased, adding in the Northwest particularly a very gratifying new source of income to many whose grain crops were not of the best. The present price of fresh eggs would indicate room for further expansion in this branch of farming.

"Fruit yields, in this Province at least, have not been as abundant as last year. Apples are short, as were some of the smaller fruits, but the results to the grower, I understand, have been good. Altogether, while the returns to the farmer are somewhat out of balance with the prices of his needs he is, the country over, and speaking generally, getting on top of his difficulties.

Natural Resources Develop.

"The fisheries have yielded well, the salmon canners in British Columbia having had another successful year. The fishing industry is of much importance to Canada, but especially to the Maritime Provinces and British Columbia.

"Mining in both British Columbia and Ontario has had further development, though the production has not increased quite as much as I think was expected. The development in the Rouyn District, in the Province of Quebec, is going on, but has not yet reached the point where there has been actual production. An extension of the T. & N. O. Railway into that region would give this Province a better chance to benefit from the work going on there. Mining, with smelting and refining which follow in its wake is of growing importance to Canada, and, as it grows, must attract in an increasing degree attention to this country both from the investing and speculating public.

Pulp and Paper Output.

"The output of pulp and newsprint has increased largely, and is now considerably in excess of that of the United States, and the expansion still goes on. The output bids fair to double that of 1925 in a short time. The year has been a profitable one to this industry. It is to be hoped that capacity will not soon be brought to the point where it will be in excess of requirements, but the consumption of these products seems to grow constantly, so perhaps there is no occasion for apprehension.

"Lumbering, speaking generally, has not been profitable, though there has been quite a large cut.

Basic Wealth.

"The farm, the forest, the mine and the fisheries are the four bases upon which the prosperity of this country rests. When it is understood that in the twelve months ending on September 30th last this country's exports of agricultural and vegetable products and animals and animal products, amounted in value to $788,000,000, and wood, wood products and paper to $284,000,000, in all $1,072,000,000 out of total exports of $1,307,000,000, the importance of these two industries to the country can be realized, and also, perhaps, the wisdom of a fiscal policy which by reducing their costs of operation will encourage their expansion, together with that of mining and of fishing.

Decrease Crop Area.

"In this connection it is rather shocking to find with all the vacant arable land there is available that according to the figures supplied by the Department of Trade and Commerce the number of acres under field crops was less in 1926 than in 1925.

A Better Outlook.

"While the indices, such as car loadings, building permits, construction contracts, merchandise shipments, savings deposits, bank loans and so forth all indicate that the existence of better business and the activities surrounding our enormous exports and imports must result in good returns to many, my observation would lead to the belief that there is not the general prosperity in the industrial and distributing business of the country that is desirable, the cost of carrying on being still out of proportion to profit, but some progress has been made, and it is not unreasonable to expect further improvement, for we have had in the ten months of the calendar year some reduction in our national debt other than that incurred on behalf of the publicly owned railways; a reduction in the Dominion taxation, with the promise of more; a return of the country to a gold basis without dislocation of business, and some increase in immigration, all of which must be helpful to our well-being.

Municipalities Curtailling.

"It is gratifying also to see a genuine effort on the part of the Northwest Provinces and the municipalities there to curtail capital expenditure; it is to be feared, though, that the necessity for this has not yet been appreciated to the full extent by those controlling affairs in the East; it is to be hoped that it will come to them soon, for such expenditures lead to additional taxation.

Government Economies Desirable.

"May I venture to say here that it is strongly borne in upon me that if we are to readily attract capital for our development and immigrants to carry on the work, the efforts of our Governments should be directed toward making this an economical country to live in; let us hope, with this end in view, they will conduct their affairs with such economy that we may look for a progressive easing of the burdens imposed by all three—Dominion, Provincial and Municipal—and that it will be their endeavor to eliminate as soon as possible all forms of double taxation and those that hamper business or are of an inquisitorial character, and which encourage misrepresentation and dishonesty.

"Our great neighbors to the south have been enjoying, broadly speaking, great prosperity, which has increased the demand for such of our products as they could economically consume or would permit to enter, and we have derived much benefit from the ever increasing number of motorists who visit us.

"Elsewhere abroad there are many disturbances, and the world is far from having settled down to steady industry.

Conditions in Britain.

"Great Britain is still our best customer. Unfortunately the coal strike has affected her ability to produce and thus to consume, of which we are feeling to some extent the effect. The sole apparent benefit to us is an increased demand for coal in Nova Scotia, but this is offset by large advances in ocean freights, a reduction in the number of ships available for the carriage of grain, with congestion at terminals and consequent delay in returns from the crop. It would look now as if the strike would never be settled, but the miners would gradually go back to work as necessity compelled, though it is difficult to see if the coal is to be produced at a cost to enable industries to thrive how some mines will continue to operate. Under any circumstances there will be many workers who must find other means of livelihood or be supported by the community.

Affairs More Favorable.

"Continental Europe has taken a further step toward stability in admitting Germany to the League of Nations. I am still of the opinion, though that there must be freer interchange of goods among the European nations before prosperity, which is so desirable in all our interests, is realized. There are indications that affairs are moving in that direction, but naturally progress is slow.

Change in Board.

"To come back to the Bank's affairs, it is with much regret that I have to report the passing of our Director, Mr. John Northway. Though he had been in failing health for some years past his death on November 6th was unexpected. Mr. Northway endeared himself to those with whom he came in contact and was highly esteemed by us all. He was very faithful in his attendance at Board meetings when his health permitted. His business judgment was very sound. He will be very much missed. The vacancy on the Board has been filled by the appointment of Mr. John A. Northway, who it is felt will prove a worthy successor to his father.

"Once more I would like to refer to the intelligent and comprehensive letters on general conditions sent in, as is the annual custom, by the Branch Managers, and to bear testimony to, and to thank the Staff generally for, their faithfulness and zeal on behalf of the Bank.

"Both your Auditors are permitted by the Bank Act to offer themselves for re-election and accordingly do so.

Confident of Future.

"I would like to say further that I feel that the Bank has made a distinct step forward during the past year and that we are looking to the coming year with confidence. Undoubtedly banking conditions have improved, as will no doubt be shown by the results accomplished by the other institutions which will be placing their affairs before their Shareholders within the next couple of months.

"I beg to move the adoption of this Report."

THE GENERAL MANAGER'S ADDRESS

"The General Manager, Mr. A. E. Phipps, then addressed the meeting.

"The Balance Sheet and Profit and Loss Statement which is in your hands to-day will, I trust, meet with your approval. It indicates that your Bank has enjoyed a reasonable measure of prosperity, in fact the year just closed has probably been the best for the Bank since I became General Manager in 1921. The total assets, the deposits, and the profits all show a substantial increase.

Deposits Exceed $100,000,000

"The total assets at $131,832,309.65 are the largest ever shown by the Bank, as also are the deposits; in fact it is the first time that the deposits of the Bank have ever exceeded one hundred millions of dollars.

"The profits have been distributed in the usual manner, the only change being an additional $10,000 set aside to provide for additional income tax. They have been computed, of course, after making full provision for all bad and doubtful debts and contingencies, but before setting aside contributions to the Pension & Guaranty Fund and of $160,000 for the Dominion Government taxation. These taxes are in addition to Provincial Government taxes and licenses amounting in round figures to $65,000, which have been paid and deducted at the Head Office and Branches before making up their profits. Altogether the taxes paid and reserved (leaving out of the question real property and similar taxes), amounting to $225,000, or over 3 per cent. of the capital of the Bank. I doubt very much if any other class of business is so burdened with direct taxation.

Increased Profits.

"It is satisfactory to note, therefore, that through increased business and other causes we were able to show net earnings of $1,265,776.31, which are $103,627.58 greater than a year ago, and enable us to carry forward $1,252,148.23, or $153,276.21 more than last year. After allowing the $160,000 for Dominion taxes the ratio of profits works out at 15.9 per cent. on the capital, but it must be remembered that the capital employed by the Bank embraces the Rest Account and undivided profits as well. If these be included the calculation is just about 6¾ per cent., a very modest amount considering the labor and risk involved.

"The circulation at $10,792,633 is practically the same as a year ago. We feel that it would have been greater had it not been that the marketing of the Western crops has been retarded by unseasonable weather.

Substantial Increase in Deposits.

"The deposits, $100,787,014.91, show a growth of over $5,000,000, and a very gratifying feature is that while there has been a slight shrinkage in the deposits not bearing interest or current accounts of $1,000,000, there has been an increase in round figures of $6,000,000 in interest-bearing deposits, which include the Savings Bank accounts of the Bank.

"The other liabilities to the public consist merely of balances due to other Banks and Correspondents in Canada and elsewhere, which might really be classed as deposits of other Banks with us, and liabilities under Letters of Credit, outstanding as per contra.

Strong Liquid Position.

"Coming to the assets—

"The cash on hand, consisting of specie, Government notes and foreign currencies, amounts to $11,604,285.54. This is about $700,000 less than last year, a normal fluctuation in the course of business.

"The deposit in the Central Gold Reserve, Notes of other Banks, Cheques on other Banks, Balances due by other Banks in Canada and elsewhere, bring the total of cash up to $27,215,303.09, compared with $26,338,271.28 a year ago, and equals 23.50 per cent. of our liabilities to the public.

"Dominion, Provincial and Government and other readily realizable securities amount to $21,606,889.70, to which may be added our Call Loans in New York, $5,000,000, Call Loans in Canada, $8,427,522.09, and Loans to Provincial Governments and Municipalities, $7,122,860.14, a total of $20,550,382.23, all securities of a most liquid character. These items, together with the cash on hand, give a grand total of $69,372,575.02 of cash and readily convertible assets which is equal to 60 per cent. of the Bank's Liabilities to the public.

Current Loans Advance.

"Our current loans in Canada stand at $55,186,970.88, compared with $50,225,800.94 last year, an increase in round figures of $5,000,000. The current loans of the Chartered Banks are among the most important assets They reflect the activity of the Bank's commercial business, and, of course, are the class of investment which brings the best returns. I would like to repeat my annual assurance that we believe the quality of our current loans is exceedingly high, and that full provision has been made for anything which could be considered doubtful.

"The other important asset is the Bank Premises Account, which stands at $4,921,660.21, as against $5,056,813.14 last year. The expenditures on Bank Premises were very light during the year and were more than offset by the collection of the proceeds of the sale of a property in Vancouver. The Bank owns its own premises at one hundred and thirty-seven points.

New Branches.

"We continued our conservative policy with regard to new branches during the year, and only two were opened—at Kitchener, Ont., where we are already becoming established, and at Elk Lake, where the mining activities seem to require banking facilities. Branches were maintained at Hudson and at Pine Ridge, Ont., during the open months, the proximity of our branch at Sioux Lookout to the new gold discoveries at Red Lake making it particularly fitting that we should follow up the mining activities of that section. The branches will be re-established in the spring if conditions justify. There are now one hundred and seventy-nine branches of the Bank.

The Staff.

"The staff consists of 1,241 officers, compared with, 1,212 a year ago I have much pleasure in again testifying to their loyalty and efficiency without which the good results you have before you to-day would be impossible.

"The Shareholders now number 2,587, as compared with 2,517 a year ago. We always welcome new Shareholders, just as we welcome new customers, and the growing number of the Bank's shareholders is very gratifying.

A Year of Steady Growth.

"Last year I stated that there was reason to hope that bankers' difficulties would be substantially less than they had been for the past few years and this in our own case proved to be true. Other than the re-establishment of the currency of the country on a gold basis, which was brought about almost without comment, the year has been one of calmness, with comparatively steady growth, there having been no outstanding incidents or disturbances in banking or commercial circles in Canada.

Industrial Activity.

"In our own Province of Ontario I think the manufacturers have had a better time. The automobile industry, the textile industry, flour millers, manufacturers of electric appliances and of boots and shoes and leather have all enjoyed a moderate degree of prosperity, although at times business in all lines has shown a tendency to drag. Agriculturists have had a satisfactory year, and in the North the mining industry has continued to be active, but the lumbermen have not as a rule made money. In Quebec the development of waterpower and the consequent increase in production of pulp and paper and aluminum and other products goes on apace, and in Western Canada conditions have been better than for several years.

Western Business Improved.

"I had the opportunity of personally observing this, having visited the four Western Provinces in September and early October. I will not take up your time with the details of what I saw and heard, but I can assure you that Western agriculture and Western business was on a very much better footing than I have seen it for a long time, and the development of the port of Vancouver and the coast of British Columbia might almost be classed as amazing. At present, owing to the heavy wheat crop in the West and better conditions, there is a stronger demand for money than for some time, and there is no reason that I can see why the coming year should not prove as satisfactory to the Bank as the year which has just closed. The Bank was never in a better position to take advantage of improving conditions.

Taxation on Capital.

"Since I put together the foregoing remarks the Honourable Minister of Finance, in an interview given in this city, is said to have stated that a further reduction in taxation might be hoped for in the next budget. May we venture to hope that when this comes about my friend, Mr. Robb will give some consideration to capital. To my mind, incentive for gain is the stimulus to all business, and consequently vital to the prosperity of the country. When taxation presses too heavily on capital those who possess it may naturally be expected to be slow to risk it in business ventures which, if successful, will, instead of enriching them, merely bring profits which will be swept away by the tax-gatherer. On the other hand, if a disposition is shown to deal fairly with capital in the matter of taxes on profits and income, effort will be stimulated and millions of dollars perhaps now invested in tax-free bonds and such like will again seek employment in other channels which seem to afford a greater opportunity for gain, and what is equally important, men of business capacity and large ideas who may now be indifferent, will devote themselves energetically to the promotion of business activities which cannot fail to bring about better markets for labor and the products of the agriculturist, the lumberman, the manufacturer and so on which means greater prosperity for the whole community, and which cannot in the end fail to attract desirable immigrants to our shores. It is a thought worthy of consideration.

"Before sitting down I would like to associate myself with all the President has said about the late Mr. Northway."

CANADIAN DOES NOT AGREE WITH ALL RIPLEY SAYS

A. G. Walwyn, Toronto Investment Banker, Finds Occasion to Reply

Taking the occasion afforded by a lecture on corporation finance to students of Toronto University, Arthur G. Walwyn of the investment banking firm of Dominion Securities Corporation, Toronto, discussed, the other day, a number of the points recently made by Prof. Ripley on new developments in finance.

Mr. Walwyn agreed with some of Prof. Ripley's suggestions but took issue with others. He said:

"It might be well to refer to the criticism which Professor William Z. Ripley has made in current articles in the Atlantic Monthly in respect of present day methods in corporate financing and in the issurance of corporation statements. He takes exception to the following practices:

"1. The practice of carrying preferred and common stocks having substantial market values, and in some cases carrying substantial income return, at a nominal balance sheet figure.

"2. The practice of issuing two classes of common stock, one class of which contains full voting power and is not usually placed on the market.

"3. (a) The issuance of annual income statements of an incomplete character, i. e. not showing total sales, ratio of net profit to gross sales, amount of depreciation, etc.

"(b) The fact that only a few companies issue full quarterly statements.

"4. The issuance of incomplete balance sheets giving no indication of the true reserve position.

Earning Power To-day Capitalized

"In regard to the first of these, it is very obvious that in present day business the market will capitalize the high earning power of specialized companies almost without regard to asset position. One needs only to refer to the stocks of any of the leading chain store companies, motor car companies, or specialty manufacturers, to see remarkable evidence of this fact. In new financing, therefore, (and new financing, in order to do equal justice to the borrower and to the investor, should be offered for sale at very slightly under the proper market level) it is necessary in the junior or equity securities to capitalize the high earning position of such companies. It is submitted that it is a distinct step forward in clarity and conciseness not to build the balance sheet up with goodwill and trade mark items so that a fictitious par value of $100 or $50 or some other figures may be given to the stocks being issued, but, on the other hand, to carry the stocks on the balance sheet at a nominal figure, making it perfectly clear at the outset that these stocks have their value on an earning basis. Instead of being, as Professor Ripley indicates, a departure from sound methods. It is considered that this is a distinct step forward from the antiquated balance sheet practices of 10 and 20 years ago. Under the former method it was impossible to tell without careful analysis whether the market price of the preferred or common stock in question was justified from an asset position or from an earning position. Under present methods this distinction can be seen at a glance. It seems to be a step forward and one which Professor Ripley would have been among the first to welcome.

On Non-Voting Stocks

"The case which is made against the issuance of two classes of common stock, one class of which carries full control, has a much sounder basis. The real reason for such a practice is almost exclusively that the management wish to give their whole attention to their own business and not be obliged to worry lest some competitive organization should be buying up enough stock to obtain control and throw them out. It is due only to a small degree to any wish of the management to stifle criticism from its own shareholders. That this is the case, is sufficiently indicated from the fact pointed out in the articles referred to, of the apathy of the present day shareholders, very few of whom take the trouble to attend the annual meeting or to examine carefully and critically the income and balance sheet statements. Inasmuch as it is conceivable that at certain times the interests of the management or of a controlling banking group might not be exactly identical with the interest of the common stock holders, the case for the control resting in one class of common stock is fairly sound.

"There is, of course, always the answer that if the stock does not carry voting power, such is known to be the case and any one buying it does so with his eyes open. The principle might be stated that control should be held by those who assume the risk. Management alone carries only a small portion of the risk, so that if there are two classes of common, unless the non-voting division has distinct advantages in the way of preference as to assets and cumulative dividends they should have the right to vote.

Uniform Statements Impractical

"The suggestion that industrial companies should issue uniformly complete statements, requires some qualification, not so much in regard to its desirability as to its impracticability. If it is possible and if in the interests of the shareholders it is desirable, one would feel in accord with the view that full statements should be issued by all corporations. Industrial business, lacking the monopolistic character of public utilities and the uniform characteristics of transportation companies, cannot be judged by any set standard, nor can statements all be issued in the same way. In adition, competition in some businesses makes it absolutely imperative that the amount of their sales and the territory in which those sales be made be in the interests of the shareholders kept secret as long as possible. It is conceived to be the case that every individual company is in business for the benefit of its shareholders. If therefore, it is imperative for a company to issue meagre statements from a business standpoint, smaller shareholders (large ones would likely be represented on the board), if they are not satisfied, should sell out their holdings and invest their money in the kind of business in which it is both profitable and desirable to issue full annual statements.

Stock Exchange Prevents Abuse

"The further suggestion, viz., that the federal trade commission under certain interpreted authority should intrude itself into the financial organizaaion and accounting of business does not seem to be well made. The stock exchange regulations prevent very great abuse in this way. Government paternalism rarely accomplishes the objects in view and often brings greater evil in its train. In the article discussing this matter, some companies which have comparatively full statements have been quoted as offending, and one of the oldest and most secretive companies, viz. the Mackay companies, was not mentioned.

Quarterly Statements and Seasonal Earnings

"The case for the issuance of quarterly income statments by all companies, must also be substantially qualified to exclude all of those businesses whose operations are of a seasonal character. Not only in the case of such companies would the quarterly statements not be informative, they would be definitely misleading. The result of such statements would be a series of small, meaningless fluctuations in the market, depending upon weather conditions and small trade movements of no practical significance whatever.

"The last of Professor Ripley's points to which we will refer in the issuance of incomplete balance sheets hiding the true reserve position. It is felt by the writer that Professor Ripley is entirely right on this point. The various reserve items should be shown separately and in such manner that the shareholder is able to be aware of what unpaid surpluses are accumulating in his business."

FIGHT IS ON FOR BRAZIL'S CONTROL; OPPOSE BELGIAN

(Continued from page 1)

and the other seeking to retain control where it has been since Canadian capital first became interested in Brazilian tractions? Even more important, how many shares of Brazilian at this time are controlled by the so-called financial rajah of Europe?

Stock Touched 123

Buying Brazilian on behalf of the Belgian interests was conspicuous a month ago. At the peak of this movement, the ordinary shares reached a new high of 123, although analysis of the company's earnings, while it showed steady improvement, gave no justification for such a price. An 8 per cent. dividend is still in the remote future so far as is foreseen by many who are cognizant of conditions in Brazil and know the company and its prospects.

It may not be determined for some time if actual control of the company has slipped from the E. R. Wood group aind it may never be known just at what stage in the stock movement the control actually passed from one group and it may never be known just An American railroad manipulator of a former generation once remarked that it was not necessary often to hold more than a fifth of the outstanding stock to control a large corporation, since shareholders en masse never attend meetings and send their proxies seldom.

This may not be true in this instance. But trading in Brazilian has been in unprecedented volume this year, being nearly equal to 1,065,000 shares outstanding. The number acquired on Loewenstein's behalf has been variously estimated at from 100,000 to 500,000 shares. The latter number probably would give him control. A somewhat smaller number might.

That the group headed by Sir Alexander Mackenzie and E. R. Wood is gravely concerned over the situation is not doubted. Their advice to the Canadian shareholder is to hang on to the stock. At the same time, it may be that they are quietly buying in whatever shares may be available. The price of the stock has not hardened sufficiently in the last day or two to indicate that there is any great amount of concentrated buying at the moment of any group.

Speculators Watchful

From the investor's point of view, the intrusion of the Loewenstein interests into Brazilian may not bode any good. Brazilian, as has been pointed out by Sir Alexander Mackenzie, who is the practical head of the enterprise, is a company in a sound and strengthening position, and any scheme which pools its $275,000,000 of assets and its good earning capacity with other companies which are neither so large nor so sound is certain to react to the disadvantage of the investor.

From the speculative viewpoint, the present situation is diverting and there are many individuals and groups which are watching the market closely in order quickly to take advantage of any turn made in furtherance of the plans of the principals. Some brokers are of the opinion that Brazilian is a good buy at 105 or thereabouts and these are confident that if Loewenstein has obtained control, the shares will go higher. This, however, is merely the viewpoint of those who depend on quick turnovers in the market for their profits. Brazilian, should it be headed by the spectacular Loewenstein, would not for the present, at least, appeal to conservative investors. In this connection it is difficult to forget that Captain Loewenstein is the financier who proposed that he loan funds to the French and Belgian governments in return for the privilege of issuing paper money with which he could carry out some of his operations.

MUST MAKE THIS ECONOMICAL PLACE TO RUN BUSINESS

Imperial Bank Heads Voice Strong Pleas for Public Economy

Both Peleg Howland, president, and A. E. Phipps, general manager of the Imperial Bank of Canada, took the occasion afforded by the annual meeting of the bank this week, to make strong pleas for further reductions in the tax burden in Canada, a burden adding to the overhead list of business.

Mr. Phipps said:

"The honorable minister of finance in an interview given in this city is said to have stated that a further reduction in taxation might be hoped for in the next budget. May we venture to hope that when this comes about, my friend, Mr. Robb, will give some consideration to capital. To my mind incentive for gain is the stimulus to all business, and consequently vital to the prosperity of the country. When taxation presses too heavily on capital those who possess it may naturally be expected to be slow to risk it in business ventures which if successful will, instead of enriching them, merely bring profits which will be swept away by the tax gatherer.

"On the other hand, if a disposition is shown to deal fairly with capital in the matter of taxes on profits and income, effort will be stimulated and millions of dollars perhaps now invested in tax-free bonds and such like will again seek employment in other channels which seem to afford a greater opportunity for gain, and what is equally important, men of business capacity and large ideas, who may now be indifferent, will devote themselves energetically to the promotion of business activities which cannot fail to bring about better markets for labor and the products of the agriculturist, the lumberman, the manufacturer, and so on, which means greater prosperity for the whole community, and which cannot in the end fail to attract desirable immigrants to our shores."

Not All Satisfying

Mr. Howland said:

"While the indices such as car loadings, building permits, construction contracts, merchandise shipments, savings deposits, bank loans, and so forth, all indicate the existence of better business and the activities surrounding our enormous exports and imports must result in good returns to many, my observation would lead to the belief that there is not the general prosperity in the industrial and distributing business of the country that is desirable; the cost of carrying on being still out of proportion to profit, but some progress has been made, and it is not unreasonable to expect further improvement, for we have had in the ten months of the calendar year some reduction in our national debt other than that incurred on behalf of the publicly-owned railways, a reduction in the Dominion taxation with the promise of more, a return of the country to a gold basis without dislocation of business and some increase in immigration, all of which must be helpful to our well-being.

"It is gratifying also to see a genuine effort on the part of the Northwest Provinces and the municipalities there to curtail capital expenditure; it is to be feared, though, that the necessity for this has not yet been appreciated to the full extent by those controlling affairs in the East; it is to be hoped that it will come to them soon, for such expenditures lead to additional taxation.

"May I venture to say here that it is strongly borne in upon me that if we are to readily attract capital for our development and immigrants to carry on the work, the efforts of our governments should be directed towards making this an economical country to live in; let us hope, with this end in view, they will conduct their affairs with such economy that we may look for a progressive easing of the burdens imposed by all three, Dominion, provincial and municipal, and that it will be their endeavor to eliminate as soon as possible all forms of double taxation and those that hamper business or are of an inquisitorial character, and which encourage misrepresentation and dishonesty."

Dominion Power Building New $100,000 Sub-station

Dominion Power and Transmission Co. will build a new sub-station in the west end of Hamilton. The company's officials state that plans are being prepared and everything possible will be done to complete construction and have the station ready for use early next spring.

The building will be a combination railway and power sub-station and with electrical equipment will cost around $100,000.

Public Utility Earnings

Southern Canada Power Company

	October 1926	October 1925	Incr.
Gross Earn ...	$123,936	$111,041	$ 12,895
Oper. exp.	41,299	37,074	4,225
Net Earn... ...	$ 82,637	$ 73,967	$ 8,670

Dominion Power and Transmission

October—	1926	1925	Incr.
Gross Earn. .. .	$286,206	$267,944	$18,262
Gross Exp.	188,781	191,673	x2,892
Net Earn.	$ 97,425	$ 76,271	21,154
10 Months—	1926	1925	Incr.
Gross Earn.	$2,647,060	$2,516,953	$130,107
Gross Exp.	1,745,075	1,754,971	x9,896
Net Earn.	$ 901,985	$ 761,982	140,003

xDecrease.

Brazilian Traction

October—	1926	1925	Incr.
Gross Earn.	$3,200,476	$3,100,963	$ 99,513
Oper. Exp.	1,417,522	1,415,220	2,302
Net Earn	1,782,954	1,685,743	97,211
Aggr. Gross from Jan. 1st	32,647,511	25,220,814	7,426,697
Aggr. Net from Jan. 1st	18,585,385	14,220,950	4,364,435

A summary of the earnings record for the past twelve months, together with comparisons, is as follows:

	Gross	Net	Net Incr.
Oct.	$3,100,963	$1,568,072	$117,671
Nov.	2,911,695	1,554,038	132,209
Dec.	3,111,251	1,714,418	310,888
1926.			
Jan.	3,163,670	1,792,288	298,795
Feb.	2,893,557	1,678,787	394,445
March	3,077,791	1,763,343	417,416
April	3,021,732	1,715,372	467,494
May	3,381,959	1,950,677	628,463
June	3,487,237	2,037,453	687,008
July	3,531,663	1,990,806	600,016
Aug.	3,476,995	1,962,354	376,524
Sept.	3,412,431	1,911,351	397,063
Oct.	3,200,476	1,782,954	97,211
Year to date	32,647,511	18,583,385	4,364,435

Estimated Cost St. Lawrence Development Increases 60%

Report of the joint board of engineers appointed to make a thorough investigation of the St. Lawrence development scheme is a voluminous one, containing upwards of 32 000 words, but out of a mass of statistical and technical details, there seem to be three features which stand out pre-eminently for consideration.

In the first place the report is a masterly presentation of the engineering problem involved in the St. Lawrence. It is a veritable storehouse of information concerning the cost and feasibility of every possible plan of development that could be undertaken. No matter what plan of development is decided upon, the engineers' board have supplied the Canadian and United States' governments with a remarkable fund of accurate knowledge upon which any decision may rest with security.

Cost Greatly Increased

From the layman's point of view perhaps the most important feature of the report is the tremendous increase in the estimated cost of the scheme. This feature of the report bears out in every respect the opinion expressed by The Financial Post in a series of articles on Canada's Inland Waterway, which stated that if Canada undertook to deepen the St. Lawrence she must prepare to foot a bill that might be double the original estimates. Broadly speaking, the figures now given by the engineering board, are 60 per cent. higher than the original estimate of $252 000,000, and when the whole cost of a complete development of power and navigation from Lake Superior to Montreal, is considered, the total estimated cost now becomes anywhere from 550 to 600 millions of dollars.

No Agreement on Plan

A point which will undoubtedly cause some concern to both countries, is the fact that the engineers were unable to agree as to the best way of harnessing the power potentialities of the St. Lawrence. The Americans favored a single dam or single stage development, with an 85-foot head at Barnhart Island. The Canadians recommended a double development project with a 67-foot head at the foot of Long Sault Island, and a 17-foot head near Morrisburg, higher up the river.

The Canadian scheme is more expensive but has an advantage in that it can be built in two sections, which will distribute the cost more evenly over the construction period, and will produce power and revenue during the period of construction. Another factor in its favor is that it will remove the need of a 17-foot embankment, necessary under the American scheme, to prevent the flooding of Morrisburg and similarly situated towns. The United States' recommendations are based on the fact that a single stage development would afford better navigation by eliminating one lock, and that it would provide more power.

It's An Eight Year Job

According to the present estimates the scheme would take eight years to complete and plans are offered for an initial installation of about 1,300,000 horse power or 50 per cent of the total amount. Plans are also made for an eventual capacity of 500.000,000 horse power at a total cost of about 650,000 000. The engineers have analyzed the effect of the authorized Chicago water diversion and estimate that it will cost nearly $5.000,000 to restore the damage to lake levels that has been done in this way. Once the power development is completed it will be impossible to repair any damage done to lake levels by subsequent diversions. The navigation scheme is planned to give the maximum of open-river navigation with the minimum of locks and canals. In the 183 miles between Montreal and Lake Ontario there will be not more than 25 miles of restricted waterway, with not more than nine locks and eight bridges.

The engineers state that in their opinion the interests of navigation will be greatly benefited by a power and navigation scheme rather than by a purely power development.

THE NATION'S BUSINESS

(Continued from page 1)

Canadians, regardless of party, hope that the Conservatives, in their search for a new leader will eliminate entirely the intellectuals and find a man of the Coolidge-Robb type.

* * *

THROUGHOUT Ontario there has been crystallizing during the past few months a strong feeling of discontent with the present municipal income tax and the business tax levied in the province. It is universally recognized that the present system of imposing municipal income tax is unsound and unfair. The rate varies between municipality and municipality, accordingly as the mill rate varies. Strictness of procedure in assessing taxpayers also varies even more markedly and business firms and residents of one city or two towns are taxed out of proportion to competing firms and individuals in other communities.

Business sentiment on the dual question of business tax and income tax in Ontario was voiced in a resolution passed last week by the Associated Boards of Trade of Ontario. The resolution, which was moved by C. L. Burton, general manager of the Robert Simpson Company, and seconded by John A. Tory, Ontario manager for the Sun Life Assurance Company, each one a citizen of recognized ability, read as follows:

"Resolved: That in the interests of the commercial and industrial development of the province of Ontario, representations be made to the Ontario Statute Revision Commission, and for the Ontario government, asking for the amendment of the Ontario Assessment Act so as to revise, with a view to reduction, the existing business tax and place it on the basis of the percentage of annual rental value or some other basis more just than the present, and that in the determination of such basis, due consideration be given to the importance of the taxation of commerce and industry in this province being not higher than similar taxation in other provinces.

"Further Resolved, that the present municipal income tax in the province be abolished."

* * *

PLAN of re-organization of the Pacific Cable Board is such as to vindicate to the full the fight waged by former Postmaster-General Hon. Charles Murphy, for the protection of Canada's interests. The new agreement between the contributing governments has already been discussed in detail in the daily press, and only one point is open to much speculation. That is the appointment of a new chairman for the board, that administers the affairs of this enormously important business enterprise, operating a cable between Canada and Australia.

Limitation of the salary that may be paid to the chairman to the figure of £1,000 annually plus traveling expenses at once insures that there will be difficulty in obtaining for the organization the high type of executive needed to give adequately satisfactory control of its affairs. Nevertheless, despite this handicap, so unnecessarily imposed, Canada should make a firm stand for the appointment of a business man of mature experience and proven ability to handle the work. Managing a transoceanic cable is no job for a retired civil servant or shop-worn politician such as have in the past been appointed to this and similar positions. Especially, with the advent of the competitive beam system of wireless communication, the position has become one requiring the high executive abilities, broad vision and aggressive salesmanship. Millions are at stake, both in the present capital investment and in future revenues, which will vary by many thousands yearly as the board has good or bad direction.

LITTLE CHANCE OF MARKET RISE IN COMING YEAR

Economic Opinion Believes No Early General Market Appreciation

From Our Own Correspondent.

MONTREAL.—There are probably many investors who are at present wondering just what the stock market will do in the first half of 1927. Perhaps the best idea of the possibilities, or probabilities, of Canadian stocks may be obtained from the outlook for the New York stock market, which, of course, has a very decided bearing on the levels prevailing in Canadian stock markets.

Three of the predominant factors, from which economists forecast the stock market action, are steel consumption, commodity prices, and money rates.

Steel consumption in the States during the first half of 1927 is certainly not expected to exceed the output of the last half of the present year. This year, the building and construction industry has made new high levels for all time in the U.S., and the automobile industry has also surprised the experts by doing the same thing. Thus, it is anticipated that the demand for steel in these lines next year will be somewhat lower. On the other hand, the American railroads are getting into an improved position, and it is anticipated that 1927 will see a big increase in orders from this source. Thus, economists feel that the output of steel will be maintained at about present levels or perhaps be off slightly.

Money Rates Steady

While there are some who feel that money rates will tighten a little next year, it is pointed out that, what with the large payments to be made to the United States and with the already present strong position of the Federal Reserve Banks, from a reserves standpoint, the probability is that money will continue to be easy, and thus interest rates will not increase.

Owing to the increasing volume of production, and the growing stability of currencies throughout the world, it is generally felt that there is little chance of any rise in commodity prices. Without such a rise, it is impossible to have anything like a boom. Moreover, it is felt that the prices of general commodities will tend to sag in 1927, but not to any great degree. The latter would, of course, tend to restrict business expansion.

Thus, the soundest economic opinion available seems to pretty well agree that the course of the New York markets during the first half of 1927, will be irregular. Some stocks will go up, and others will go down. It is felt that there is no chance whatever for any general rise, with the one exception, possibly of the railway stocks.

Use to Investors

But how can the Canadian investor or speculator best use the opinion of the economists? The out and out gambler will immediately say that if railroad stocks in the States are good, C.P.R. must also be a good purchase. This may or may not be so, for the underlying idea behind all such economic forecasts, is not to pick on any one particular organization, but simply to present the broad underlying principles which may be applied to an individual company.

For instance, take the Canadian Pacific as an example. The outlook apparently for the railways is excellent. Therefore, the shrewd investor looks up and ascertains what particular factors would apply to the C.P.R. alone as opposed to other railways. Of course, the chief factor that makes its appearance here is the knowledge that the Canadian Pacific Railway is a grain carrier primarily, and therefore the investor who is endeavoring to make a quick return in C.P.R. will investigate carefully the earning possibilities of the road from a grain carrying standpoint over the next six months before making his commitments.

All in all, economic facts are never intended to be applied holus-bolus to one particular company. They represent only a broad picture to which must be added the even more important factors which apply to individual companies.

Winning Strike Needs Public

From Our Own Correspondent.

MONTREAL.—As far as can be gathered here, the scare headlines in the press this week indicating that a strike might tie up the railways within a week need not be taken at their face value.

Whether or not the employees are really entitled to more pay or not is the real question. The workers are receiving the same wage scale as they did in 1920 when commodity prices were at a high peak.

So far as the C.N.R. is concerned, the public are also the employers. The C.P.R. stock enjoys a wide distribution in this country. If the men go out they will need the best of grounds upon which to base their action if they have any hope of success.

As yet the union has made no effort to present its side of the case to the public.

Sugar Factory Finishes Season

The sugar factory at Raymond has finished business for this season, with a total delivery of about 36,000 tons of beets. About $150,000 has been paid out to the farmers for beets. About 100,000 bags of sugar have been made, with 12,000 tons of pulp available for stock feeding.

NEW ISSUE

100,000 SHARES
THE MEXICO-OHIO OIL COMPANY
CAPITAL STOCK

Authorized 500,000 shares without nominal or par value; outstanding, including this issue, 400,000 shares.

NATIONAL BANK OF COMMERCE IN NEW YORK, Transfer Agent.
THE EQUITABLE TRUST COMPANY OF NEW YORK Registrar.

Mr. O. D. Donnell, President of The Mexico-Ohio Oil Company, has summarized in part his letter to us dated November 22, 1926, as follows:

BUSINESS AND ORGANIZATION: The Mexico-Ohio Oil Company, a Delaware Corporation, was incorporated October 30, 1926, for the purpose of acquiring substantially all of the stock of The Ohio-Mexico Oil Corporation, S.A. The Ohio Oil Company owns and will retain 170,700 shares of the stock of The Mexico-Ohio Oil Company.

The Ohio-Mexico Oil Corporation, S.A., was organized under the laws of the Republic of Mexico, with a capital of ten million pesos (national gold), divided into 500,000 shares of the par value of twenty pesos each. All of this stock, except 800 qualifying shares for directors and officers, is now owned by The Mexico-Ohio Oil Company.

CONCESSIONS AND PROPERTIES: The Ohio-Mexico Oil Corporation, S.A., has concessions for oil and gas rights granted under the new Mexican Petroleum Laws (Dec., 1925) on One Million acres of land situated in the west central section of the State of Coahuila, a part of Mexico adjacent to the State of Texas, and has applications pending for concessions on an additional Three Million acres of land in the same State. Drilling has already been begun on the San Marcos Tract, located about thirty miles south of the Town of Cuatro Cienagas. Other American Companies through their Mexican subsidiaries have applied for concessions covering a vast acreage in Coahuila and immediately adjoining the concessions held by The Ohio-Mexico Oil Corporations, S.A., which were the first to be granted under the present Petroleum Laws of Mexico.

The titles to most of the properties covered by the concessions and described in the pending applications for concessions are held by the Cardenas family, which is very prominent in Mexico, especially in the State of Coahuila, Mr. Miguel Cardenas having been Governor of that State for sixteen years. Appropriate and satisfactory contracts have been made with members of the Cardenas family and other surface owners in accordance, as we are advised by Mexican counsel, with the laws of Mexico relating to subsoil and surface rights.

GEOLOGICAL CONDITIONS: The properties have been examined by C. J. Hares, Chief Geologist of The Ohio Oil Company. We quote from his report dated July 5, 1926, as follows: "The undersigned, a Geological Engineer, commissioned by Messrs. R. J. Berry, T. S. Hogan, T. B. Hoffer and F. M. Cardenas, to make an estimate of the value of their oil and gas rights to the lands situated in the Provinces of Ocampo, Cuatro Cienagas y Castanos, Sierra Mojada, Villa Acuna y Escovedo, in the State of Coahuila, certifies that he began to discharge this commission in the beginning of February of this year, jointly with a group of twelve other Geologists and Engineers, making the necessary investigation upon said lands with the object of obtaining all scientific information available of the probabilities of striking oil in the sub-soil of said lands. This detailed investigation was carried out by using the most modern instruments and methods known, and lasted for a period of four and one-half months, resulting in the discovery of numerous geological formations that give indications of being structures containing oil and gas."

Mr. Hares and his associate geologists and engineers have remained on the properties since this report was rendered, and are continuing their investigation.

TRANSPORTATION: A good road connects the drilling location with the freight depot at Cuatro Cienagas on the National Railroad of Mexico, thereby reducing the expense of delivering material. The concessions already granted are located within two hundred miles of the Texas border at the nearest point. Direct pipe line connection with the United States markets is thus possible.

MANAGEMENT: The management of both The Ohio-Mexico Oil Corporation, S.A., and The Mexico-Ohio Oil Company is under the direction of experienced oil operators.

OFFICERS
The Ohio-Mexico Oil Corporation, S.A.
MR. R. J. BERRY, President.
MR. F. W. MESSIMER, Vice-President and Managing Director.
MR. F. M. CARDENAS, Secretary.
MR. F. E. HURLEY, Treasurer.

OFFICERS
The Mexico-Ohio Oil Company
MR. O. D. DONNELL, President.
MR. C. L. FLEMMING, Vice-President.
MR. E. B. REDPATH, Secretary.
MR. F. A. BILLSTONE, Treasurer.

FINANCES: Neither The Mexico-Ohio Oil Company nor The Ohio-Mexico Oil Corporation, S.A., has any funded debt. After giving effect to the present financing the consolidated balance sheet reflects a sound financial condition, with cash of over a million dollars, and no liabilities except the outstanding capital stock.

PURPOSE OF ISSUE: The proceeds of this issue will be used for making loans to The Ohio-Mexico Oil Corporation, S.A., for carrying on its operations.

CONCESSIONS AND LEGALITY: Mr. M. R. Cardenas, a prominent Mexican Attorney, has written us that he is of the opinion that the concessions of The Ohio-Mexico Oil Corporation, S.A., have been granted in accordance with the Petroleum Law of the Republic of Mexico and its regulations, and that the concessions are legal and valid in accordance with the terms expressly set forth therein.

The said Mexican Attorney has also certified as to the legality of the incorporation of The Ohio-Mexico Oil Corporation, S.A., and that its total authorized capital stock has been legally issued and fully paid and is non-assessable. The legality of this issue, except as to matters of Mexican law, has been approved by Messrs. Coudert Brothers of New York, Counsel for the bankers, and by Mr. Merle N. Poe of Findlay, Ohio, Counsel for the Company.

We offer these shares when, as and if issued and received by us subject to legality, with the reservation of the right to reject any subscription and/or to allot a smaller amount than subscribed for.

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This stock is offered as a speculation.

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TORONTO, NOVEMBER 26, 1926

NOT PLEASANT NEWS

IT DOES not make pleasant reading for Canadians to analyze the wheat studies now being made by the Food Research Institute of Stanford University, Cal. The university, in its newest study, sets forth the view that United States milling of Canadian wheat is likely to grow, particularly at Buffalo. The wheat is ground into flour chiefly for export. When an American miller buys Canadian wheat and then exports the flour he does not pay the 42 cents a bushel tariff on the imported raw material. Canadian flour mills lose business by the arrangement.

It is not a new problem but we have been inclined to let the matter drift, hoping that some self-solution would come. The Leland Stanford investigators evidently see nothing that is going to change the situation in Canada's favor.

It looks as though it were time to consider seriously whether Canada should not impose a 42 cents a bushel export tax on wheat shipped into the United States for milling in bond, as has been suggested by men who know the grain and milling trade.

The export tax may not be the solution. The point to which any good citizen might feel justified in taking objection is that nothing seems to have been done seriously to find the solution.

WANT CHEAPER INSURANCE

AMONG business men particularly there is a demand for "cheaper" life insurance. The quotation marks are used advisedly; in insurance one gets what one pays for and the word "cheaper" is slightly misleading. Be that as it may, the demand is being met by the companies in the introduction of many different forms of policies with sundry novel and original provisions, but all having the general effect of reducing the yearly premiums, giving the policyholder the largest possible amount of insurance for the premiums paid, especially during his younger years before he has built up a competence.

The demand for cheaper insurance and the necessity, on the part of the companies, of meeting the demand, has brought about new problems for insurance executives. It is having a tendency to reduce the amount of their investment funds. Many of the officers will not regard this as an unmixed evil since the investment of life insurance reserves has been no small burden in recent years. The change has also upset sales expense and office expense schedules slightly.

Quite likely the demand for cheaper insurance will be met by less conservatism on the part of actuaries in the calculation of necessary premiums. Greater recognition may be given to the longer lives of people of to-day to the higher rates of investment return. The dividends that would be earned in these ways and returned to the policyholders who live to enjoy them may be anticipated and shared with policyholders as they acquire new insurance. Again, provision may be made for setting up smaller reserves in early policy years. Of course, none of these steps can be taken without the most careful consideration.

The public is demanding cheaper insurance and the companies are giving lower cost policies to those who feel that their situation demands them. And the insurance companies may be depended upon to move further in this direction, as necessity demands.

NEW PRECEDENTS NEEDED

IT WOULD seem so obvious that the use of government stationery for the promotion of private business is unfair and unsound that it is surprising to find defenders of the practice. The use of House of Commons and Senate letterheads for the more personal correspondence of the people's representatives is not to be deplored at all, but when letterheads of members of either house are used by them to give general endorsation or introduction to people or projects, and these letters are used for the sale of stock or in other similar manner, then the practice is pernicious and unsavory.

The majority of Canadian editors apparently agree with this view, but there are those who are in disagreement. The Montreal Gazette, for instance, feels that each case must be judged on the circumstances affecting it and that the matter is one for the individual member to decide for himself. Despite the fact that the Gazette adds that "The member who is careful of his reputation will not be caught," The Financial Post thinks the Gazette's attitude is dangerous. It has already been proven in more than one instance referred to in these colunms that all members of parliament and all senators can not be trusted to observe a decent regard for their public position of public trust in such matters. That being the case, more definite practice should be established.

It is not necessary to add to the multiplicity of legislation to stop misuse of government stationery. If the leaders of the political parties were to get together and agree upon the etiquette and proprieties of the subject, agree that no member should permit his position to be utilized in such an apparently improper manner, the practice would end.

At the present time, the source of trouble lies in the lack of any understanding as to how far a member may go in the matter. If the limits were defined by agreement, custom and courtesy would soon end a situation that occasionally develops unhappy incidents.

RIGHT IN PRACTICE

A LITTLE over 20 years ago, the Minister of Marine and Fisheries, acting on the recommendation of the foremost scientists in this country, created a body to conduct scientific research and investigation into the many branches of the fisheries industry. This body, known as the Biological Board of Canada, included eminent biologists, representing the leading universities of the Dominion.

The board carried out its work year after year on the Atlantic and Pacific Coasts, with little encouragement or assistance from business men actually engaged in the fishing industry. In fact, the reverse occurred, and it is unfortunately necessary to record that many in the industry scoffed at the efforts put forward by the scientists.

But within recent years, lay members, men actually engaged in the industry, have been added to the board. To-day, many of the fishing men, who previously paid little attention to the theory of canning, drying and smoking fish, and who previously scoffed at the efforts of the scientists, now are staunch supporters of the board and the work which it is carrying on.

One of the most eminent business men in the Dominion, who himself employs many scientists to work out problems connected with the companies in which he is specially interested, in referring to the changed attitude of the fishing industry generally to the work of the Biological Board of Canada, remarked: "It's the same old story. Whenever the business man really looks into the work which science is achieving and endeavoring to achieve, he immediately becomes a strong supporter of such activities."

The foregoing, of course, makes most unpleasant reading, for it contains not only one, but two morals. The first is that scientific men must learn to work and to respect the non-scientist. The second is that perhaps business men in this country have not yet learned that whatever is right in theory, cannot help but point the way to what is right in practice.

LOOKS LIKE LUCK

INSIDERS are wrong sometimes—but they are usually not wrong for long. In other words, the average investor would generally be wise in following the lead of those who understand the various influences which are at work and which will affect any industry.

This applies with particular force to the newsprint industry to-day. A year ago, there was hardly a newsprint executive in Canada, or the United States, who did not view the general situation as regards newsprint with some apprehension. As events turned out, these insiders were wrong and newsprint stocks all advanced.

Again this autumn, newsprint executives feel that the year 1927 will see some increase in the consumption of newsprint, but not as large an increase as made itself felt, to the surprise of all, during the current year. The general opinion of those who are in a position to know is that newsprint production has now caught up to consumption and that there may be some slowing up necessary during the next twelve months.

While the insiders have been wrong in the forecasts during the past year and even before that, what the investor can not help but consider is the fact that the insiders' views are based on a knowledge of facts which it is often impossible for others to obtain.

Some investors immediately may feel that such opinions should obviously manifest themselves in an exhibition of insiders dumping their newsprint holdings on the market. The reason the insider does not sell is because he is not investing for any four, five or six months' hold, but for a long pull.

In the second place, the insider realizes that over a term of years the outlook for the industry is satisfactory. Canada can produce newsprint at lower cost than can the United States and the market in that country for newsprint can not fail to grow.

The answer as far as the average investor is concerned lies in purchasing shares of the sound companies and being willing to hold such securities over a long period whether the immediate course of the market for newsprint stocks be down—or up. Which it will be, none can say with definiteness; only a year ago the insiders were wrong and the outsiders, perhaps, lucky.

THRIFT AND TAXATION

IF LIFE insurance indeed be a form of thrift, and there are now few to deny this hypothesis, then forms of taxation upon life insurance of the people are distinctly to be deplored. Yet taxation falls in three ways upon life insurance savings. The Dominion government taxes the income that a man pays out for life insurance exactly as it taxes the income he spends for automobiles, radio sets and articles of daily requirement. The provinces levy a tax upon the premium income of the life insurance companies, a tax certainly more pernicious and inexcusable than the income tax levy. Finally, when a life insurance policy becomes a claim and the money is paid over to the beneficiaries, it becomes liable, if large enough, to inheritance taxes.

Definite suggestions were made by various speakers at the last meeting of the Canadian Life Officers' Association for the elimination of taxes upon life insurance thrift and convincing arguments were marshalled in support of the case.

It would be to the advantage of the state for the question to have serious consideration from taxing bodies and the following might be set down, for such consideration, as suggesting the minimum requirements of sound policy in that regard.

That the Dominion government should give partial exemption from the income tax on personal revenues used for the purchase of life insurance.

That the provinces should not tax the premium incomes of the life insurance companies beyond the cost of maintaining insurance supervisory bodies.

That life insurance policies earmarked for the payment of succession duties should be exempt from inheritance taxes up to the amount of taxes payable upon the estate. Two provinces now exempt such insurance entirely.

GET THE FACTS

DUE to the four great economic divisions of the Dominion, it is but natural that the man on the street thinks sectionally instead of nationally. Through the breadth of their influence, Canadian business men are in a position to remedy this condition—if they wish it remedied.

The sectional spirit in the unthinking is fostered by the attitude of certain editors in central Canada who picture the western farmers as selfish individuals desiring nothing more than the opportunity to obtain loans which will never be repaid. The western press, in its turn, tells the farmers a story they love to hear and indicates that central Canada is reclining in the lap of luxury brought about by its selfish attitude on tariff matters. And so the old game goes merrily on with each part of Canada urged to believe that those in other sections are more selfish and more sectional in their outlook than those in other portions of the Dominion.

In speaking recently along these lines, J. M. Macdonnell, of the National Trust Company, made the point that he, for one, did not find his own neighbors any more unselfish or one any more national in their viewpoint than people elsewhere in Canada.

And the business man, most of them leaders in their own spheres and their own communities, can help this intolerable situation by pointing out to others that the sectional attitude is illogical and unfounded.

In all this, perhaps central Canada is more blameworthy than other parts of the Dominion. Ontario and Quebec not infrequently assume the "Be-good-little-boy" tone which naturally enrages the Western and the Maritime provinces. In the past, luckless orators in central Canada have as much as told the West and the Maritimes to "go to work little men and you will obtain your reward in due course."

The complaints of the Maritimes and the farmers may, or may not have been overdone. But certain it is that the preaching attitude has been done to death. In other words, what is wanted in solving the many problems which face, and which will continue to face, a country with such a wide variety of viewpoints is the scientific attitude. Forget the opinions, forget the prejudices, and ascertain the facts. It is upon these and upon these alone that the nine provinces can best frame their national policies.

WHEN MANITOBA butter wins the ribbons at Toronto's winter fair, the rise of mixed farming in the West is given convincing demonstration.

Would Lift Tax Burden From Insurance Savings

Insurance is Form of Thrift, and No State Should Levy Taxes Upon Savings of Nation's People

By PROF. GILBERT E. JACKSON.
University of Toronto.

For most men who have their own way to make in the world, life insurance is the foundation of thrift. We must not measure the efficacy of life insurance as an incentive to thrift merely by the quantity of life insurance carried at a given moment. The total of savings in the form of life insurance policies probably represent no more than a small fraction of the total amount of savings made possible by the fact that life insurance, with almost perfect safeguards for the insured, is everywhere available.

Nor is the thrift fostered by life insurance to be regarded as a benefit only to the man who becomes thrifty, whose habits are changed for the better when he takes out a policy. I cannot save $1,000 without at the same time benefiting all other men. When I save $1,000 I am to that extent increasing the demand for labor, and helping to raise the wages of all workers, including my own. In so far as life insurance is effective in provoking thrift (not in the form of insurance only but along countless other channels) it is benefiting the uninsured no less certainly than the insured. It is rendering a service to every member of the community.

Stabilizing Influence in State

Moreover, the consciousness of having a stake in the country stabilizes a man's attitude to public life as nothing else does. It is the man who has nothing to lose whose mind and heart are fertile soil for sowers who sow the seed of revolutionary propaganda. From the standpoint of the professional revolutionist almost all other ground is barren. In a country in which the greatest bulk of the citizens consciously feel: "Here is something which belongs to me," the spontaneous condemnation of violent popular disturbance can be depended on as a sheet anchor of public order. Where there is no such consciousness on the part of the man in the street—where he does not feel that he has a stake in the country—no machinery for the suppression of free speech or of political agitation offers an effectual alternative protection. During our own lifetime we have seen this in a dozen countries. Government after government has been sent toppling; but in the west, in Britain especially, the good sense and self-control of the workers in the last resort are an unfailing safeguard. It is the glory of Anglo-Saxon countries — despite the ban we place on certain beverages—that they are at the same time the most free and the most stable politically. They are stable, surely, because in those countries the ordinary man feels that he now possesses a measure of security which an upheaval would only be likely to destroy.

State Should Encourage Thrift

For these reasons and on the broadest of all possible grounds, no less than because thrift is itself a virtue, there is a strong case for the view that the state should use every means in its power to encourage saving among the masses of the people, by relieving their savings from taxation. In this respect the savings of the relatively poor stand in a position very different from the savings of the relatively rich, and have a claim much stronger.

The principle is, of course, by no means new. It was laid down almost eighty years ago, in 1848, by John Stuart Mill, and was adopted enthusiastically by the late W. E. Gladstone and a long line of British statesmen. Nevertheless there is not yet a complete acceptance of this principle by fiscal authorities elsewhere, and it is true to say that in Canada the rule is more honored in the breach than it is in the observance.

Taxed Three Times

If we confine ourselves for the present to savings in the form of life insurance, and there is no doubt that this is the test case, we can see that such savings are liable to be taxed three times in their making. In the first place the saver may pay income tax on his annual premiums, as well as on the rest of his income, to the Dominion Government and to the municipality. In the second place, having paid his income tax, he may notice that his company is compelled to pay a further tax on these premiums to the provincial government. In the third place he may cheerfully look forward to the possibility that his relatives will pay another tax on the principal, in the form of successful duties when he dies. By the time that all these collections have been made a very considerable sum has been deducted from the original accumulation of the saver.

British practice with regard to income tax is well known. Under certain safeguards, to prevent the rich from using life insurance as a means of escaping legitimate taxation, from 1853 to 1916 the tax payer was permitted to deduct his payments on account of life insurance from his taxable income. Even in 1916, at a moment when the life of Britain was at stake, life insurance premiums were still given preferential treatment, and allowed to bear a lighter burden of taxation than other forms of personal expenditure. While in Britain to-day the tax payer still pays income tax upon his premiums, he is only taxed at half the current rate. In other words, he receives an exemption from taxation on this account at a rate higher than the rate of income tax on moderate incomes now collected by the Dominion government.

Urges Income Tax Exemption

Now that our national finances have been stabilized and certain reductions in taxation have already been made, I should like to urge with all the strength at my command (not as a self-appointed expert on insurance, but as a layman who realizes the enormous importance of life insurance to the community) that in the next federal budget some discrimination should be made, with the proper safeguards, in favor of the taxpayer whose life insurance premiums are a heavy voluntary burden on his income.

But if there is a case for urging the Dominion government to discriminate in favor of life insurance premiums when making its annual budget, exactly the same case lies against those provincial governments which now levy taxation on gross premiums. The two taxes, federal and provincial, are different in form, but they are the same in essence. Both of them constitute a tax on thrift. There is no more reason to suppose that the tax on premiums is borne by the shareholders of an insurance company, than there is for supposing that the same shareholders bear any portion of the federal income tax levied upon an insured person's income.

Even apart from its character as a tax on thrift, the tax on premiums is a bad tax because it is based on turnover. After numerous experiments, and as a result of a good deal of unfortunate experience, the world has slowly come to the conclusion that turnover taxes, sales taxes and the like are bad taxes; bad because they are not equitable, and bad because they restrict business. In many countries such a tax is still a regrettable necessity, but it is on grounds of necessity, not of principle that it should be defended, if at all.

Benefits Outweigh Revenue Loss

When these points are well understood, I believe that there will be a strong popular demand for relief along both lines—for the exemption from income taxation of insurance premiums, and for the abolition of the provincial taxes on premiums as well. Against a plea such as this the taxing authorities naturally maintain that it involves a loss of revenue which puts them in an awkward position, and question whether the benefit—in this case the removal of a tax on thrift—is really commensurate with the loss of revenue involved. This raises a real issue. Unless the relief is likely to produce some advantage, which will outweigh considerably the loss in revenue, no change is likely to be made.

What is the situation? Now that past deficits no longer completely dominate financial policy, the question at issue may be simply stated: How great a stimulus to saving would such relief be likely to give? Let it be granted that the result of such an incentive to thrift cannot be measured in advance. We can only conjecture how great it would be. Nevertheless there is little doubt that it would be far larger than any reduction in revenue which it would involve. Its effect would be psychological rather than economic. In Britain, as often as the taxpayer looks at his income tax return, he realizes afresh that his insurance premiums are selected by the state for prefential treatment. The saving to him personally may be not more than a few dollars—a trifling sum in any case in comparison with his total income—but can we doubt that the constant reminder of this acts as a more insidious and effective advertisement of thrift than any deliberate propaganda? I believe that for every dollar directly lost to the state for preferential treatment. are saved by the public—with results on the nation as a whole which are obviously beneficial. Bigger savings produce a greater general feeling of security, make available for business larger quantities of capital, increase production, raise the living standards of the worker. For all of these reasons the state itself may lose nothing in the long run, but indirectly be the gainer.

Book Reviews

Testing Before Investing

The rise of a new army of investors has established the need for a new type of investment literature; investment books written in language that the ordinary investor can understand. One of the best of the books published to fill this need is "Testing Before Investing," which has just been produced by the A. W. Shaw Co., of Chicago, and which has the dual advantage of being concise and cheap, the price being $1.50.

Edmund E. Lincoln, a former Harvard man and author of a number of works on business finance, is the writer and he has put into interesting language the whole story of investment. He speaks chiefly to the man who is making his first steps in investing and whose knowledge of corporation finance, stocks and bonds, etc., is limited. Emphasis is placed upon the tests that should be applied to different classes of securities and throughout the book the advice is reiterated that sound advice should always be obtained before investing.

Appropriately enough, Prof. Lincoln's new book is dedicated to "the new owners of industry who save and invest while they work and who will be the future managers and financiers."

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As Others See Us

Income Tax Inequalities

St. Catharines Standard: An Ottawa girl calls attention to a curious twist in the civic income tax assessment. She receives $1,500 a year, out of which she is supporting her parents. Yet she pays an income tax, while men are exempt to the extent of $2,000. In addition she points out that women in some cases are paid $1,300 for doing the work of an office which pays a man $2,000 for similar duties.

The above is certainly an inequality in income taxation law, but in any law, do not inequalities abound? And yet we read of the Canadian Council of Agriculture opposing the abolition of income taxation by the Dominion Government. In 1924 only 3,068 farmers paid income taxation and their contribution averaged $55 each. It is estimated that there are 700,000 farms occupied in Canada, so that the income tax per farm averaged less than 25 cents.

It is difficult to say just what the earning power of the farmer is worth in real money. Of course, he is indispensible to the commnuity, but there is a difference between his wages and those of the city skilled factory man. There is also a vast difference in maintenance cost, except where it comes to taxes and the education of a growing family. The Financial Post says that the farmer in parliament has an unequal distribution with the city voter, and uses that power to pass on the income tax to the city salaried men. It opens a wide field of speculation, and is an economic problem to baffle the most expert student.

Fundamentally, however, income taxation is not sound. It does not always bear on those with the ability to pay the most. There are inequalities, and income taxation also dries up the sources of other legitimate taxation. Capital freezes up when it is taxed to death and enterprise is thwarted.

Other People's Views

What'll We Do About It?

Sault Ste. Marie Star, Ont. — J. H. Woods, president of the Canadian Press, Limited, sees a danger of the "ethical absorption of Canada by the United States on account of the ever-increasing American investments in this country."

More than one person agrees with Mr. Woods on this point, but what are we going to do about it? We must have capital, just as we need additional population, and where a country's population is so small and her area and resources so great as in Canada, it does seem inevitable that the capital should come from outside. In years gone by a great deal of British capital was invested in Canada, but to-day the preponderance of outside money coming in is American. The thought may be disturbing, but there seems to be no remedy in sight, unless we put up the bars. And that, of course, is out of the question.

Is there not a strong possibility, however, that we are worrying rather unnecessarily over the so-called American "invasion?" Canada stands on her own feet. Canadians are proud of their country and proud of their British connection. They have always done a large amount of business with their cousins to the south and will continue to do so, but this fact does not render them any the less devoted to their own land. It is perfectly natural that we should follow American lines in business, wear clothes similar to those worn by the Americans, and so on. We are, speaking broadly, the same kind of people and with similar ideals. This does not, or should not, mean, however, that we are being absorbed by the United States. The Canadian spirit is too strong for that.

Investment Consultation

NO matter how small your available funds may be, we invite you to make an appointment with a member of our firm to discuss the investment of it.

By so doing you incur no expense and place yourself under no obligation to us.

Inquiries invited.

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

Saint John Wires Its Appreciation

SAINT JOHN, N.B., Nov. 22, 3.50 P.M.

Editor, The Financial Post, Toronto, Ont.

Please accept our sincere congratulations on the Maritime Number of your paper just to hand. Your well considered and sympathetic articles on the Maritime situation are pleasing to those of us in the Maritime Provinces who are looking for just such support and encouragement as this from our fellow Canadians. Your conclusion that the Maritimes demand no special considerations but merely equal opportunities with the other parts of the Dominion is timely and correct.

Saint John Telegraph-Journal and
Saint John Times-Star.

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Humberstone Shoe

Do you consider Humberstone Shoe company's stock common and preferred a fair, safe investment?

Humberstone Shoe is a progressive concern that seems to be making sufficient progress to warrant rating its securities as a reasonably good speculative investment.

$15,000 for Mine Shares

I am asked to select the issues on a $15,000 mining share purchase. I selected McIntyre, Teck-Hughes, Noranda, and one gamble, Castle. What do you think?

The list is good. You might have added a little Hollinger, and perhaps split the gamble, because of the uncertainty of the silver market, and perhaps taken on a little Argonaut. It is coming up well.

Muirhead's Cafeteria

Would you advise me regarding the purchase of stock in Muirhead's Cafeterias?

Muirhead's Cafeteria is a speculative stock that is not without attraction. The company has grown from small beginnings over a short term of years and is now a leading factor in its business in Toronto. The new interests in control are carrying on a program of expansion that seems to be along the right lines, but which naturally adds some hazard to the stock.

Canada-West India

I have been advised to purchase Canada-West India Corporation bonds, but before doing so would appreciate your advise.

The Canada-West India Corporation 7 per cent., 5 year bonds with bonus of 10 common shares with each $100 bond, seems to us to be very speculative. We have heard that the earnings of the two component companies last year were not sufficient to meet the bond interest requirements of the new company. That is, after charging off depreciation. The company intends to enter new lines of business, which certainly on paper look sound, but any new departure is naturally speculative. Broadly speaking, we would say that a speculative common stock looks more attractive to us than a speculative 7 per cent. bond.

National Trust Company

I would be glad to have your advice with regard to a reliable trust company with which I could deposit a few thousand dollars savings at a fair rate of interest and subject to withdrawal in whole or in part at any time.

The money is at present in a bank savings account, but as I shall have to hold it intact for some time to come, I wish if advisable to transfer to some good company from which I could get a little better rate of interest, but with absolute safety as I cannot afford to lose.

Would the National Trust Company be suitable for my purpose?

Any advice you may give me will be much appreciated.

The National Trust Company is a thoroughly reliable and strongly organized institution and your deposits are safe with them. You can obtain 4 per cent. interest on savings deposits in that company.

They will also sell you a guaranteed investment receipt for a term of five years, paying 5 per cent. interest. Should you require the money at any time in the interval, they will refund it to you at once, but would allow you only 4 per cent. interest for the period that they have had the money, if it should be under five years.

Any of the trust companies advertising in The Financial Post may be regarded as thoroughly sound and safe to do business with. Most of them pay 3½ or 4 per cent. interest on deposits and a number of them sell investment certificates for various terms, some of them, we understand, for less than five years, yielding up to 5 or even 5½ per cent.

Mutual Finance

I am considering investing in Mutual Finance Corporation and would like your opinion.

Mutual Finance Corporation, Windsor, has had a very successful career. Each year since 1919 its earnings, surplus and its dividends have been increased. There is nothing to indicate that 1926 will be any exception to this experience. The management of the company has not been changed.

International Power

What information can you give me concerning International Power?

The International Power Company controls various public utility companies located in Ceneral and Southern America, and in Newfoundland. From the diversification of its assets and from the fact that these are derived from such stable sources as utilities, leads up to the belief that the earnings of this company will increase in future.

Davies "A"

What is your opinion as to Davies "A" stock? Should I sell?

While the William Davies Company has not had so good a year as was hoped, it seems likely that their condition at the end of their fiscal year, December 26, will be somewhat better than a year ago. The company has been unfortunate in the last several years, and this year a totally new trouble afflicted them in the labor troubles in England. It is reported that the company is buying its stock with a view to refinancing. This operation should have some strengthening effect on the market. In view of this, it would not seem harmful to hold on, for a time at least.

Brooks Steam Motors

May I ask a few minutes of your valuable time that you might clear up for me a few points that I am not clear on in the matter of investing.

The reading of The Financial Post has taught me that the earning power of money is much greater than that of one's hands and it has converted me into disregarding the apparent warnings of certain business institutions that have actually educated the great majority of the working people into believing that an investment offering possibilities of more than 6 or 8 per cent. is decidedly to be shunned (as fraudulent).

At 22 years, I have no one dependent on me so I am looking for opportunities of placing my savings in growing corporations where it will really earn me something. I do not want to gamble, but to invest as wisely as I know how. Whose theory do you consider the more sound or productive? Babson advises investing in seasoned stocks and securities on the exchange and playing the long or seasonal trend of fluctuations. H. L. Barker puts all his faith in the placing of money in the original capital stock of new corporations to build a life competency.

I have been approached by Brooks Securities Corporation to take stock in Brooks Steamers carrying a unit of 10 shares cumulative preferred and 8 shares of common, no par value, at $135 the unit.

I would greatly appreciate any comments or suggestions you could give me.

We advise against the purchase of securities of the Brooks Steam Motors, as we consider this too speculative and too highly priced to be worth consideration.

Your questions indicate a laudable desire on your part to learn something about the fundamentals of investments. They also indicate, if you will permit us to say it, that you are as yet groping absolutely in the dark in investment matters. The best procedure for you to follow would be to invest such funds as you are able to save in Victory bonds, gradually extending into different classes of securities as your capital grows and as your knowledge of sound investing develops. The truth of the matter is that, without a thorough grounding in the principles of investments, you cannot, with any degree of safety, invest in other than Victory bonds, because you have not the background of study that will enable you to distinguish between good and bad investments.

We certainly do not advise the comparatively inexperienced investor to invest in the original capital stock of new corporations. This is the most hazardous form of investment and must only be indulged in by the experienced and comparatively wealthy investor.

We would suggest that you get hold of some good book on the simple principles of corporation finance and investment and study it closely before branching out into any type of corporation securities.

Standard Mortgage

Please favor me with your opinion of the shares of the Standard Mortgage Corporation. Several of my customers hold the stock.

The Standard Mortgage Corporation is a new company which has not as yet completed one full year's operation, so that it is impossible to give any idea of earnings. The company's year ends December 31, after which date the annual report will be issued. In the meantime, the president of the company assures us that if any of the shareholders care to go to the head office, he will be willing to let them see the earnings for the year to date, and go fully into the position of the company with them. Moreover, the company is sponsored by responsible business men. There is no market for the stock but we understand that if any shareholders wish to dispose of their holdings, the management will endeavor to dispose of their holdings to other investment buyers. Thus, we understand that your clients could get out of the stock, should they wish to do so, without any loss.

The company's business consists of buying and selling first mortages only. It makes a specialty also in short term first mortgage loans to builders. Such loans are only made up to 20 per cent. of the total value of the completed building. When the building is completed, the builder retires the construction loan, and then can obtain a first mortgage up to 50 per cent. of the total value of the building.

Because the company is a new organization, naturally the shares are somewhat speculative.

Brompton Pulp

I should appreciate your opinion of the common shares of the Brompton Pulp and Paper Company. I have held this stock for some five years and am disappointed that it shows no tendency to appreciate. I hold 100 shares, which I bought at around 55.

Perhaps one of the fundamental reasons why the stock has not done better, is due to the fact that one of its American mills a year or so ago, was receiving the severest kind of competition from other mills located in more advantageous positions in the United States. Thus, one American mill was forced to switch its production over into other lines of paper and paper specialties—a costly business.

While the two American plants have been doing better of late, yet we understand that their earnings have most certainly not been in keeping with the total capital investment. Then too, the company's plans for further extension in the newsprint field were delayed, and in consequence, the earning power of the company was not increased as soon as was anticipated.

As you know the future of the common shares of Brompton depends on one thing, and one thing alone, namely the demand for pulp and paper in the United States. This factor makes the common shares of any pulp and paper company more or less speculative, depending, of course, on the strength of the individual company.

Provided the American market still continues to absorb more and more paper, we would say that the common stock of Brompton, being cheap at present, stands a better chance of appreciation than the higher priced pulp and paper stocks. However, this depends on the ability of the United States to consume more and more paper.

Our opinion is that 1927 will not see as rapid an increase in the consumption of newsprint there, as occurred during the present year. However, this is but an opinion. Many say that there may be a little slowing up of the newsprint industry in Canada about the summer of 1927. But, on the other hand, many said exactly the some thing a year ago, but last summer the Canadian mills operated at full capacity.

From the fact that Brompton's forest assets are strong, we would still say that it looks like a good speculation in its class. However, you must not forget that it is speculative. Our attitude regarding Brompton is simply this: The company must in the long run either increase or decrease its earning power. It looks as if Brompton were too well situated not to be able to improve its position as time goes on. There may still be further ups and downs in the stock, and you must regard it in an entirely speculative light, and only have tied up in the stock but a fraction of your total resources.

St. Lawrence Paper

I am considering purchasing some common shares of the St. Lawrence Paper Company which are at present selling at $59. My sole idea is to buy these on margin with the intention of making a little money within the next two months. Some of my friends in the brokerage business have advised me to do this, but I should like to obtain your opinion before making the purchase.

We are not tipsters and do not attempt to forecast the course of the stock market during the next two months. Furthermore, if your brokerage friends had any real idea of the course of the market during the next two months, they would not be transacting a brokerage business, but would be simply trading.

Like the common stocks of all the other paper companies, the future market trend of the common shares of the St. Lawrence Paper Company depends upon one thing, and upon one thing chiefly, the consumption of newsprint by the newspaper reading public in the United States.

If you know that the consumption of newsprint across the border will keep pace with the increased output of the mills during the next few months, we wish you would tell us, so that we too might be able to make a quick turn on the market.

On the other hand, the St. Lawrence Paper Company is ably managed and within a month or so will have doubled its newsprint capacity, thus adding materially to the company's already strong earning position. Thus, we would say that, like any other stock, if you purchase the common shares of the St. Lawrence Paper Mills with the idea of holding them two or three months only, it would be a gamble. However, if you are willing to speculate in this fashion, we believe that such a gamble would be more attractive than many, many others which are brought to our attention.

Brooks Steam Motors

What do you think of Brooks Steam Motors as an investment?

Brooks Steam Motors, Stratford, does not appeal to us as an investment. At the best the stock appears to be highly speculative.

Serving Investors' Interests—Free

It is conceivable that the average person's idea of a Bond house is a financial organization, the sole purpose of which is to buy and sell securities. What one overlooks here is the important fact that Bond houses—especially those of the larger dimensions, such as Royal Securities Corporation, Limited—are essentially organizations of Service—offering expert advice, supplying information, giving prompt quotations, and generally placing their wide experience at the disposal of both clients and those casually seeking information on investment matters.

Royal Securities Corporation, Limited—through branch offices located in principal centres throughout Canada, from Coast to Coast; representatives in London and New York; private wire connections, and efficient Trading, Statistical, Engineering, Sales and Correspondence departments—is thoroughly equipped to provide investors with a service unsurpassed in the Dominion.

Write for our most recent copy of "Investment Recommendations".

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal
Toronto Halifax Saint John Quebec
Winnipeg Vancouver New York

FOLKS and Finance

LIFE short circuits many of our best ambitions and not all of us become successful in the field we had originally chosen for the development of a career. This has no reference either to childhood ideas about being railway engineers, bill posters, cowboys or lacrosse players.

One man who was side-tracked in his career is J. W. Mitchell. He found that the side track also led to success, for he is now vice-president of the Dominion Securities Corporation, in Toronto. Originally, Mr. Mitchell wanted to be a profesor of modern languages. Later he changed his mind and decided on law. But he became neither professor nor lawyer. His father had the misfortune to lose heavily on another man's defalcations—a straight case of misplaced confidence—and the younger Mitchell had to give up university. He got a job as private secretary to E. R. Wood, who was then entering his financial prime. The private secretary became a vice-president in short order.

Mr. Mitchell is recognized as a leading authority on government finance in Canada. He is of the student type and would have been as successful teaching languages as he is in the bond business. The work he did in organizing Toronto's Victory Loan campaigns will never be forgotten by the survivors of that hard working clan who put Toronto on the top in the big war loan campaigns.

SIXTY years ago, when they sold soda-water at 2c. a glass, I used to think how wonderful it would be to be in the business and be able to fill myself up with soda-water for nothing." This is probably not the reason why George Edwards, F.C.A., L.L.O., C.B.E., rose to the top of his chosen profession as a chartered accountant—but it showed he was capable of ambition.

"One day my mother sent me to the corner grocery, and I heard the grocer's wife telling a boy what his duties would be. She told him that his pay would be $1.00 a week and that he could sleep nuder the counter. I was amazed and ran home to tell my mother. It was one of my greatest disappoints that she would not let me apply for the job."

Before an assembly of 200 of his friends and associates, who had gathered in Hart House to do him honor, George Edwards told the brief story of his life. Chartered accountants from all parts of the province were there, and at the head table there were representatives from Institutes in Manitoba, Quebec, Prince Edward Island and New York.

The accountants were not allowed for one moment to forget what their profession was and the menu, which was printed on regulation "Linen Ledger" in a proper ledger binding, was taken in as "goodwill account." The "opening entry" was cocktail, the "floating assets" salmon and the "farm improvements" turkey. Potatoes were "buried assets" and peas, of course, the "rolling stock," finally the "balance" proved to be a program of entertainment which kept up until somewhere about midnight.

Greenshields & Co.
Established 1910
A complete investment service
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street
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POST-Scripts

SIR ALFRED MOND, on the occasion of his recent visit to Canada, commented with some surprise on the fact that Canadian money should be invested in any considerable amount in Brazilian Tractions or in Detroit United or Twin City, when there are so many opportunities awaiting development in this country.

The explanation, as voiced by a prominent Canadian financial man, is simply the same explanation as to why a man who makes a success of one line of business in one town goes to another to repeat the same success in a business which he knows.

Montreal folk made money out of Montreal Tramways. Toronto folk made money out of the Toronto Street Railway Company when William Mackenzie obtained the franchise, on condition that he electrify it, back in the nineties. Both Montreal folk and Toronto folk were convinced that street railways and street railway franchises were paying investments, as they often were in those days and may be again.

Many of the cities of the United States electrified their traction lines before Canadians become interested in this phase of investment. There were not many franchises going begging. Perhaps this led to the investment in Brazil. The Detroit United was right at our loor, and was a more natural outlet. The Twin City (Minneapolis-St. Paul) venture came because one of the Mackenzie & Mann associates in Toronto was a Cleveland man who informed a Toronto acquaintance of the opportunity for investment there.

CANADA PERMANENT MORTGAGE CORPORATION
Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
MONDAY, THE THIRD DAY OF JANUARY
next, to Shareholders of record at the close of business on the Fifteenth day of December.

By order of the Board.
WALTER F. WATKINS, Secretary.
Toronto, November 17th, 1926.

Five Attractive Public Utility Securities

Production and distribution of electric light and power is one of the most essential public services. Stability of earnings has contributed to the increasing popularity of bonds of power companies. For investment, we suggest the following:

Security	Rate %	Maturity	Price	Yield %
Montreal Light, Heat & Power Consolidated	5	1951	99.50	5.03
Gatineau Power Company (First Mortgage Bonds)	5	1956	95.00	5.33
Kaministiquia Power Co., Limited	5½	1950	101.50	5.39
Duke-Price Power Co., Limited	6	1966	103.75	5.75
Gatineau Power Company (Debentures)	6	1941	99.00	6.10

Full particulars regarding the above issues will be gladly furnished upon request.

36 King Street West,
Toronto.
Telephone: Elgin 4321.

Wood, Gundy & Company
Limited

THE NATIONAL CITY COMPANY
CANADA

International Paper Company

6% Convertible Gold Debentures

Due October 1, 1941

Principal and interest (April 1 and October 1) payable in New York or Boston, in United States Gold Coin, or in Montreal in Canadian Gold Coin.

The International Paper Company is, with its subsidiaries, the largest manufacturer of paper in the world, and one of the largest holders of water powers in North America. The capacity of its pulp and paper mills is more than twice as great as that of any other company on this continent.

The above debentures are convertible on or after April 1, 1927 into 7% Cumulative Preferred stock at the rate of 1 share for each $100 debenture. Holders effecting any conversion on or before October 1, 1928, shall have the right to purchase Common stock at the rate of $50 per share on the basis of 1 share for each $1,000 debenture so converted.

We recommend these debentures to those desiring security and profit sharing possibilities.

Price 98 and interest to yield over 6.20%

This offering is made subject to prior sale and change in price. A circular giving full particulars will be sent upon request.

The National City Company
Limited
Head Office — St. James and St. Peter Streets — Montreal
10 King Street East TORONTO
204 Blackburn Building OTTAWA
71 St. Peter Street QUEBEC
178

Another Smelters Bonus is Expected

Smelters has moved up close to the record high for this issue around 255 in anticipation of a substantial bonus with the December dividend declarations. Smelters gross earnings this year will be $5,000,000 ahead of last year or $35,000,000. The statement for the third quarter has not yet been issued but it is bound to come infor much attention when it does appear. Next year's earnings should again show a substantial increase if the base metal markets hold up, and the possibility would seem to be that they will go higher. Smelters expansion program is going steadily ahead and increased zinc and lead output and higher profits from customs ore are to be loked for. The talk of a stock split has been revived.

Vancouver Bond Offering Advertises City's Growth

The offering of $850,000 of 5 per cent. bonds of the city of Vancouver has directed attention to the remarkable growth of the Pacific Coast city in the last several years. A circular issued by Cochran, Hay & Co., Toronto, points out that Vancouver and environs now have a population of 300,000 and that the city itself is extraordinarily prosperous.

The increase in trade through the port of Vancouver is illustrated by the figures of grain shipments. For 1921, shipments of grain amounted to only 1,250,000 bushels, while for the seven months from August 1, 1925, to February 28, 1926, shipments reached the huge total of 37,591,376 bushels. All exports and imports through the port in 1918 totaled $67,000,000. In 1925, the total of trade was $160,000,000.

Vancouver thus is the leading port, leading Los Angeles by nearly 400,000, tons a year. Vancouver does four times the trade as its Puget Sound rival, Seattle.

The assessed valuation of Vancouver is $169,168,000 and the total debt, net, is $23,078,063. The proceeds of the issue are to be used for sewers, pavements and a hospital. Of the issue. $300,000 is due August 1, 1966, and $550,000 is due on August 1, 1941. The bonds are being sold at a price to yield 4.95 per cent. on the 41s and 4.93 per cent. on the 66s. The denominations are $1,000 and $500.

THE BASIC PRINCIPLE

The success of any industry depends upon its "sound basic" principle.

We know of nothing so basicly sound as the Dairy Industry —because its basic product, Milk, cannot be substituted. Nothing else will do.

The 7% Cumulative Redeemable Sinking Fund Preference Shares of

HAMILTON DAIRIES, LIMITED

represent an investment surrounded with every principle of safety.

Write us or Phone Regent 6853-4-5 or Adelaide 8865 Toronto, for full information.

DENMAN & CO.
LIMITED
INVESTMENT BANKERS
31 MAIN STREET EAST, HAMILTON,
BRANCH : BELLEVILLE.

Denman & Co. Limited
Hamilton, Ontario.

Dear Sirs.—Kindly send me complete information regarding the above investment, without obligation.

NAME .... ADDRESS..................

Lougheed & Taylor, Limited
Calgary, Canada

*Bond, Insurance, Estates,
Farm Lands, Appraisals*

We are well informed on the oil situation.

Municipal Bankers
BOND AND SALES CORPORATION, LIMITED
Dealers in
Canadian Government, Municipal and "Dollar for Dollar" Bonds
CORRESPONDENCE INVITED
34 KING ST. EAST, TORONTO
Sir John Willison, Kt., LL.D. President
Sir William Hearst, K.C.M.G. Vice-President

News of Investment Markets

INTERNATIONAL MILLING BACKS BIG WAREHOUSE

Canadian Investment House Offers Bond Issue to Finance It

Six per cent. bonds to the amount of $1,400,000 were offered this week through A. E. Ames & Co. on behalf of the Lake & Rail Warehouse & Elevator Corp. of Buffalo, N.Y., lessor of warehouse, elevator and flour mill to the International Milling Co. The issue was oversubscribed before the announcement was published and allotment notices now are being sent out. The smaller subscribers are being given the preference, a wide distribution of the security being sought. Some of the larger subscribers will get as low as 25 per cent. of their proffered subscription.

A coincidence was that on the heels of the advertisement came a treatise from Leland Stanford university, California, declaring that Buffalo would retain its business of handling and milling Canadian grain for export because of its fortunate location at the foot of the upper lakes.

The International Milling is not a new company to offer its securities on the Canadian market. It is one of the few milling companies which came through the postwar period without experiencing severe distress and embarrassment. The stability of the company is attributed in authoritative quarters primarily to the fact that it maintains mills and other facilities on both sides of the international boundary. Second, it has a stable domestic business in the United States, where the domestic trade is increasing steadily and rapidly. Third, it buys wheat only up to its requirements and has never been caught on the long side. Fourth, its management in other respects is experienced.

$1,400,000
Lake and Rail Warehouse and Elevator Corporation
6% first mortgage sinking fund gold bonds
Dated Dec. 1, 1926. Due Dec. 1, 1951.

Company—Lessor of warehouse, elevator and flour mill at Buffalo to International Milling Company.

Property—Warehouse, grain storage and transfer elevator of 1,400,000 bushels capacity on owned land at Buffalo.

Lease—Leased to International Milling Company for term longer than bonds at sum sufficient to meet all expenses and fixed charges.

Assets—(Of International Milling Company) over $8,000,000 net.

Earnings—(Of International Milling Company) for year to Aug. 31, 1926, over $1,078,000 net.

Security—First mortgage on all assets.

Capitalization—	Issued
6 per cent. bonds	$1,400,000
6 per cent. bonds (held for extensions)	600,000
Common stock no par value	20,000 shares

Offered—November, 1926, by A. E. Ames and Company, Toronto. Price, par to yield 6%.

Jones Brothers' Bonds Yield Investor 6½ P.C.

Gairdner and Company, with whom are associated Stewart, Scully and Company, made, this week, their offering of $300,000 of bonds of Jones Brothers of Canada. This company, now the largest manufacturers of store fixtures in Canada, is a merger of the former company of similar name, and a former subsidiary, Bouey Brothers, of Winnipeg.

Bonds offered bear 6½ per cent. interest, mature in 20 years, and are secured by a first mortgage on all assets. The price is par, making the yield to the investor 6½ per cent.

The business and history of the firm are outlined as follows:

"The company, as successor to Jones Bros. and Co., and Bouey Brothers Company, will be the largest manufacturer in Canada of store fittings, including show cases, revolving wardrobes, sectional wall fixtures, New Way units and window display partitions. It will also be the largest manufacturer and distributor of barber supplies in Canada. The company has the exclusive rights in Canada covering the patents of the Grand Rapids Show Case Company, Grand Rapids, Mich., the largest show case company in the world. The company's business is national in character. Its head office, laboratories and showrooms are located in Toronto, with the manufacturing plants at Dundas, Ontario, and showrooms and warehouses in Montreal, Winnipeg and Vancouver, and sales agencies from coast to coast. The business of the company and its predecessors, with an estimated turnover this year in excess of $875,000 and present net assets in excess of $634,000, has been almost entirely built up out of earnings. The stock on hand is new and factories and machinery are in a high state of efficiency and thoroughly modern.

"Sidney Jones in 1887 founded the firm of Jones Bros., which, at that time, did an importing and jobbing business in barbers' supplies. By 1900 the business had outgrown its premises and larger quarters were acquired and, at the same time, the business branched out into the manufacture of barbers' wall fittings and a general woodworking business. In 1904 the business was incorporated under the style of Jones Bros. and Co., with a capitalization of $40,000. Two years later, or in 1906, the authorized capitalization was increased to $200,000, and a plant in Dundas, Ontario, was acquired to which necessary additions have been made from time to time. The head office, selling agency and laboratories remained in Toronto, and the selling forces of the company were located in the more important centres in Canada. In 1923 Bouey Brothers Company, of Winnipeg, was acquired to look after the company's western business

$300,000
Jones Bros. of Canada
6½% first mortgage 20 year sinking fund gold bonds.
Dated Nov. 1, 1926 Due Nov. 15, 1946

Business—Merger of Jones Brothers and Company and Bouey Brothers. Largest manufacturers of store fixtures in Canada. Factory at Dundas. Head office in Toronto and warehouses and show rooms throughout Canada.

Assets—Total net assets, $634,439. Current assets equal to 3½ times current liabilities.

Earnings—Seven year average, $46,500. Estimated will now be $70,000.

Security—First mortgage on real estate and floating charge on all assets.

Sinking fund—Starts Nov. 15, 1927. To retire 90% of bonds by maturity.

Offered—Nov., 1926, by Gairdner, Thompson and Stewart, Scully Co., Toronto. Price par, to yield 6½%.

Rise of Corporations Create Science of Corporate Finance

By A. G. WALWYN,
Of Dominion Securities Corporation, Toronto. One of a series of lectures on investment banking, delivered to Commerce and Finance Students at University of Toronto.

THE slow development at law of the idea of a corporation is well known. By gradual steps the conception of an impersonal corporation was able to be grasped and its powers and privileges extended. Not until the corporation had its place in law, that is, was able to hold property, enter into contracts, use the courts, etc., was it possible for there to be developed anything in the nature of corporation finance.

The very distinct advantages which a limited corporation has over the other forms of carrying on business are apparent.

These may be summarized:

(1) Perhaps the most distinguishing feature, and the most important, of the incorporated company is the limited liability. By this, when a fully paid share is purchased, except in the case of bank stocks, the responsibility of the investor ceases. He may, under very adverse circumstances, lose the amount invested but his other assets are safe.

(2) Also, unlike partnerships, the incorporated company permits large amounts of wealth owned by many individuals to be brought in to one company under single management. As a result, large undertakings, such as the construction of great railways and the building of large steamship fleets, may be undertaken.

(3) A corporate company avoids the great inconvenience of demise; it can be immediately appreciated that the advantages of being able to live for hunreds of years are of the greatest importance.

(4) Through our stock exchanges the ownership of a large part of a limited company may change from time to time without disturbing the amount of capital invested in the business or the management carrying on the business.

(5) Another interesting and important characteristic of the corporate company is the opportunity offered to trade on the equity. It is this opportunity which, to a very large degree, gives rise to the subject of this discussion, viz., corporation financing.

Small Capital Controls

The incorporated company allows an investment small in comparison to the total assets involved to assume the risk and control the management, giving prior liens for the money attracted to the company in the form of bonds, usually under a mortgage, or taking others into the business as part owners but giving them preference as to assets and earnings. With this comparatively small amount of capital it is quite possible to control a very large corporation or series of corporations.

It would not be possible to do this in a partnership; the size, management and unlimited risk would be drawbacks. Insofar as competition eliminates economic inefficiency and aids the growth of the more successfully operated businesses, this is beneficial. The desire to grow by trading on the equity, therefore, is basically responsible for the varied forms of corporate structure. Taussig points out that the competition among those desirous of trading on the equity leads them to build their prior securities in a safer and a more attractive form. He seems to consider that this is a substantial influence towards improving the quality of the bonds available for investment.

Early Companies Had Royal Charters

At present the laws covering incorporation are well known and the requirements are easily satisfied: in the United States there is considerable competition between different states to frame their laws in order to attract incorporation. Some of the earliest corporations were able to derive their existence only by special Royal charters. Some of the companies however, established at that time are still operating, the Hudson Bay Company being an example of this.

The functions of the investment banker and of the commercial banker are not so widely different in respect of the needs of business as might be supposed from their form and method of carrying on business. The investment banker, in selling bonds, provides capital for a company over a longer period of time upon certain conditions and certain security. The commercial banker provides capital for a company for a short period of time to finance temporary situations. They both collect resources from a multitude of small holders and make these available to large accounts. The investment house, in addition, however, when it makes an issue of preferred or common stock, performs a rather different function and interests its clients not as creditors but as part owners of the business.

Points to be Considered

Before discussing the actual physical operation of selling a large corporation loan, I would like to mention some of the points which must come up for consideration in the building of an issue for the market:

Capitalization.
Earnings.
Call features.
Conversion privileges.
Amortization.
Recent tendencies in form.

In considering any piece of corporation financing, I believe the first point would be to build a well-balanced capital structure. The capital structure that is, the proportion of first mortgage bonds and other creditor securities on the one hand, to the amount of preferred and common stock, will be determined mainly by two considerations—the character of the business which, in turn, determines the character of the assets, and, secondly, the rate of earnings on the assets.

Old-established companies engaged in businesses involving heavy capital expenditures, such as electrical machinery manufacturing companies, agricultural implement companies, iron and steel mills, pulp and paper companies, and transportation companies, can carry a comparatively large proportion of mortgage indebtedness. This proportion can be increased if in addition it is found that their efficiency of operation or conditions within the industry give very high average earnings. In some cases are there not only high earnings, but the character of the assets is of a particularly valuable and marketable kind.

For instance, some of the larger departmental stores have very valuable assets in the way of down-town real estate, and, in addition, have been showing very large earnings.

Earnings Not Enough

In considering capital structure from the standpoint of high earnings, it will be seen that these alone do not constitute a satisfactory basis for mortgage indebtedness. For example, a tobacco company may have excellent earnings and may carry on all its business in leased properties. Mail order houses, chain stores, such as Woolworths', Laura Secord Confectionery, would all come into this class. In the case of some such companies, their business is carried on so exclusively in leased properties that they do not even provide a satisfactory basis for preferred stock issues. In the case of other companies in which the assets are not only small in comparison

(Continued on page 13)

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Rise of Corporations Create Science of Corporate Finance

(Continued from page 12)

to earnings, but consist mainly of unmarketable machinery, etc., the preferred stock will carry not only cumulative, but convertible or participating clauses to make up for this risk.

The importance of a properly balanced capital structure is being more and more appreciated. The onerous character of the mortgage indebtedness of our Canadian National Railway and the very large fixed charges in the case of some of the western United States railways, give an indication of how a few years of stress will put the capital structure to a test, and whether or not this will balance may be the determining fact as to whether or not it can avoid receivership.

Three Special Features

Call features, conversion and amortization.—In these three features there is very often a divergence of opinion between the borrowing corporation and the investor. The exact terms are usually stated after some considerable negotiation by the investment house, which almost always endeavors to obtain as attractive terms as possible for its clients. This not only makes the bond easy to sell and makes satisfied clients, but also tends to improve the price of the bond and assist in future business.

Every issue of bonds or preferred stock should have a callable price. It is in the interests of the corporation to have a callable price and so keep the capital structure of the company in a flexible condition. It is in their interests to have the callable price as low as possible. Callable prices are highest during periods of business depression, when the issuing corporations have a much greater need for money and are not in such a good position for negotiating close terms.

During the years 1921 some very well secured first mortgage bonds were issued with callable prices as high as 115-120. Lately, however, callable prices from 102-105 have been much more usual. Many of these high callable prices applied in the case of foreign governments several years ago, when they found it difficult to negotiate a loan, they were obliged to insert a much higher call price.

Call Prices on Descending Scale

Call prices usually recede gradually until they reach par at maturity, the principle seeming to be that if in the first five or ten years of a loan, the investor is obliged to give it up, he should be paid a handsome premium for disturbing his investment.

Call features work in a great many different ways. Some issues are capable only for sinking fund. Others are callable in part or as a whole on any interest date, with the usual 60 days' notice. Some corporation and foreign government bonds are callable by lot at the callable price.

In purchasing a bond, it is hardly necessary to point out that an investor should select bonds selling below their callable price.

Conversion Privileges

Conversion privileges apply in some cases to bonds, but much more often to preferred stock. A conversion privilege is usually given when the assets behind the securities issued are neither of a sufficient size or character to be considered conservative and the preferred stockholder in this way is able to share in the future prosperity of the business. In several cases conversion privileges have been very useful to companies when retiring preferred or prior preferred stock. One case of this was the Pierce-Arrow Motor Car Company, which called prior preferred stock which was convertible into common on attractive terms. The result was that everybody converted, and it cost the company only an increase of capital stock to retire the issue.

One of the important services performed by an investment house is their influence in having inserted the proper call or conversion terms. If these are well chosen, it may save the company very large amounts.

Need for Proper Amortization

One of the most important considerations in the building of an issue of bonds is its proper amortization. The proper amount of amortization depends upon the character of the assets, the nature of the business and the territory served.

There are in the main two kinds of sinking fund: 1st, serially, and 2nd, an annual payment to a trustee. In retiring the bonds serially, there are two disadvantages. First, on account of odd maturities there would be a different quote for each maturity of the issue; secondly, it places an uneven burden on the corporation. This latter objection might be overcome by having the serial instalments scaled. This, however, from an issuing standpoint at least, is not nearly so satisfactory. Second, making annual payments to a trustee is much more in favor. Under this, the company may invest in its own securities by having the trustee purchase them in the open market, or call them by lot. Or a company may invest in other securities, providing an amount sufficient to pay the bonds off at maturity. This latter is a more expensive method and very little used. The method most in favor, therefore, seems to be to provide an annual amount to the trustee for the purchase of the corporation's own bonds, at a sufficient rate to retire 66 2/3 or 100 per cent. as the case may be.

Rapidity of Sinking Fund

A power company operating in a well established locality may have a very slow sinking fund. A power company operating in a lumbering territory would require a shorter maturity with a rapid sinking fund.

The sinking fund is important because, first it gradually increases the security behind the bonds outstanding, and secondly, it ensures that the bond will be paid off at maturity. Another very important factor is the influence of the sinking fund on marketability. A sinking fund after a year or two will provide a substantial demand for the bonds of an issue, and in a great many cases, it is the sinking fund which carries the bond to its callable price. Sinking fund is one of the important points to consider in the purchase of a corporation bond.

It is natural that industrial financing will be particularly responsive to the popular methods of the moment. Thus, the very active stock market of the last two years in both the United States and on the continent has witnessed a remarkable frequency of "A" and "B" stock; of bonds or preferred stock with convertible features; or with option warrants for stock.

Examples of this are the recent financing of the National Cash Register Company in which there was a public offering of Class "A" common stock, having cumulative dividends, Class "B" common being held by the owners of the business and for their profit-sharing plan.

Attaching Purchase Warrants

In the financing of some of the German industrial companies by external gold bonds, several offerings have been made of bonds carrying common stock purchase warrants.

The attachment of such warrants to a bond endeavors to combine the security on a bond with a share in the more attractive appreciation which can be expected of a common stock. These warrants under certain terms give the right to the holder of a bond to purchase common stock of the company at a certain price. You can naturally see, therefore, that if the common stock appreciates over this price, the holder of the bond will automatically benefit.

In the case of two of these, this method has been remarkably successful. These were the German General Electric 6½ per cent. bonds and the Rheinelbe Union 7 per cent. bonds, the warrants in the case of the latter carrying it from an issue price in January, 1926, of 94 to a price on November 1, of over 115.

As the stock market in Berlin seems by this substantial rise to have anticipated larger disbursements, a recent issue of the Siemens-Halske Electric Company, instead of carrying a warrant, which on account of the already high prices of stocks would be of doubtful value, carries the right to participate in dividends over 7 per cent. on the common stock.

Attaching Purchase Warrants

In our local market, the St. Lawrence Paper Mills 6½ per cent. 10-year debentures carry a common stock purchase warrant. These are receiving considerable attention at present as the warrants can be exercised at a price of 50 and the common stock is already selling at 53½-55.

A financial weekly of the United States currently points out another departure from the usual way of issuing bonds is a direct or guaranteed obligation, and gives a few instances of this. The practice is to issue a security against leases entered upon by some well-known companies. For example, the Montgomery, Ward Properties Corporation sold a first mortgage 5 per cent. bond, dated May 1, 1926, and running for 20 years as a first lien on properties. This mortgage will cover the corporation's interest in the lease on such property to Montgomery, Ward, to a term extending one year beyond a maturity date at a rental sufficient to pay interest and sinking fund on all such bonds, taxes and corporate expenses of the corporation.

Importance of Corporation issues

During the year 1925 the corporation securities issued in Canada were roughly, 25 per cent. of all the financing. In 1924 the per centage was about 12 per cent. During the first 10 months of this year, however, when the total new Canadian financing was $489,885,774, the corporation bond issues amounted to 55.63 per cent., or $272,531,700. It may be interesting to note that power companies led in volume, and next were transportation issues and pulp and paper financing. The United States market absorbed slightly over half of the corporation financing for the 10 months of this year.

Saskatchewan Gets $2,500,000 at 4.95 Per Cent.

Dominion Securities Corp., Toronto, and Dillon, Read & Co., New York, have bought province of Saskatchewan 4½ per cent 30-year bonds to the sum of $2,500,000. The price was 93.

The money will cost the province 4.95 per cent., or somewhat less than the last issue, in September, 1925. The bonds will be offered to the public shortly.

RAILWAY EARNINGS

Canadian Pacific

Week end.:	1926	1925	Change
Nov. 21	$4,927,000	$4,746,000	+$181,000

Canadian National

Week end.:	1926	1925	Change
Nov. 21	$5,869,344	$5,865,813	+$ 3,531

Tenders and By-laws

Nov. 30. Parish of St. Rose West, P.Q.—$25,000, 5 per cent., serial bonds. T. Ouimet, Sec.-Treas.

Dec. 3. Village of St. Eustache, P.Q.—$15,000, 5 per cent. serial bonds. J. A. G. Belisle, Sec.-Treas.

Nov. 30. Town of Donnacona, P.Q.—$20,000 5 per cent. serial bonds. L. P. Chalifour, Sec. Treas.

Nov. 30, Outremont, Que.—$45,000, 5 per cent. 20-year serial bonds. R. Belleau, Sec.-Treas.

Dec. 6. Farnham, Que.—$25,000, 5 per cent. serial bonds. J. L. Sevigny, Sec.-Treas.

Nov. 29. Township of Tisdale.—$15,000, 5½ per cent., 20-year debentures. F. C. Evans, clerk.

Nov. 30. Toronto.—$7,722,000, 4½ per cent. bonds, due 1927-1956. Alternative bids, for bonds payable in Toronto and London, or payable in Canada, London and New York. Geo. H. Ross, Finance Commissioner.

This Week's Bond Sales

St. Foy Issue

An issue of $13 000. St. Foy, Que., 5 per cent. 20-year serial bonds has been awarded to Lagueux & Darveau on a bid of 98.32. The bids were:

Lagueux & Darveau	98.32
Le Credit Municipal	98.08
Mamel, Fugere & MacKay	97.75
Bray, Caron & Dube	97.38
Credit Anglo-Francais	97.07

Point Grey Issue

With a bid of $98.42, Pemberton and Son, associated with Wood, Gundy and Company, were the highest of five tenders for the purchase of $744,000 municipality of Point Grey, five per cent. bonds. Reeve J. A. Paton recommended the acceptance and a special council meeting will be held to give formal approval.

The bonds, which were offered in seven parcels, are due in 10, 15, 20, 30 and 40 years.

Edmonton Sells Bonds

Another block of $500,000 consolidated city debentures has been disposed of by the sinking fund board to the city's fiscal agents, Wood, Gundy & Co.; Cochran, Hay & Co.; McLeod, Young, Weir & Co.; Macneill, Graham & Co.; McDonagh, Somers & Co.; C. H. Burgess & Co.; and Gairdner & Co. A total of $2,600,000 of this issue has been sold to the fiscal agents this year, which leaves about $1,400,000 still on hand.

Cookshire, Que., Bonds

Hanson Bros. have been awarded an issue of $25,000, Cookshire, Que., 5 per cent. 25-year serial bonds, at 98.51, which is equal to a cost basis of 5.15 per cent. The bids were:

Hanson Bros.	98.51
Credit Anglo-Francais	98.34
Canadian Bank of Commerce	98.33
Dominion Securities Corp.	98.07
L. G. Beaubien & Co.	97.75
Mead & Co.	97.08
Credit Municipal de Quebec	95.72
Versailles, Vidricaire & Boulais	95.07

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Toronto's Net Debt Now is $56,185,946

In calling for tenders for $7,722,000 of bonds, City of Toronto publishes a financial statement of the city as it will be on December 1. It is, abbreviated, as follows:

Gross Funded Debt—	
Sinking fund bonds	$ 62,935,199
Instalment bonds	102,433,117
	$165,363,316
Deduct—	
Net utility, etc., debt.	$ 85,163,358
Sinking fund	24,019,012
Total deduction	$109,182,370
Net general debt	56,185,946
Net assessment for general purposes	818,397,698

The City of Toronto never renews or refunds any of its obligations, and, in conformity to this established practice has, since January 1, 1919, retired $54,000,000 of debt, of which $12,000,000 was before maturity.

Joins Montreal Bond House

Hodgson Brothers and Company, investment bankers, announce that W. Louis Jarvis and James C. Routledge have become associated with their firm. Mr. Jarvis was for several years connected with the stock-brokerage business and for the past two years has been active in the bond business. Mr. Routledge is well known in Montreal. He was for several years with the Bank of Montreal.

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Bell Telephone	5%	1955
Quebec Power	6%	1953
Quebec Ry.	5%	1939
St. Maurice Power	6½%	1953
Montreal Pub. Ser.	5%	1942
Laurentide Power	5½%	1946
Duke-Price Power	6%	1966
Manitoba Power	5½%	1951
M. L. H. & P.	5%	1951
Gatineau Power	5%	1956
Gatineau Power	6%	1941
Can. Nor. Power	6½%	1941
Winnipeg Electric	6%	1954

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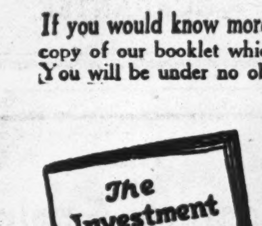

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BOND MOVEMENTS OF THE WEEK

Week Ending November 23

Bonds—	Int. Rate	Due	Yield	Range. High	1925 Low	Range, 1926 High	Low	Ask	Latest Bid	Price High	Low
Asbestos, gen. mtge.	6	1956	6.96	..	...	88	81¾	87¼	..	88	87¼
Can. Cement	6	1929	5.24	103½	100	102¼	100½	102	101⅝	101¾	101
Can. Cottons	5	1940	5.31	96	91½	97¾	95	98	..	97	..
Cedar Rapids	5	1953	5.00	99⅛	97	101½	98⅛	100	..	100	..
Cons. Rubber	6	1946	5.80	101	95	102¼	100	..	102	102¼	..
Can. Steam. deb.	5	1943	5.55	83½	77	94	94	96¼	..	94	..
Dom. Iron	5	1929	....	94	86	92	69	71½	71	71	..
Montreal Tram. "A"	5	1955	5.43	98	92⅛	93⅞	93	93½	93	93¾	93½
Do., 1st mtge.	5	1941	5.21	98	97	102½	96½	98	97¾	97¾	..
N.S. Steel	5	1959	9.34	73½	73½	56	56	65	56	56	..
Ogilvie	6	1932	5.05	106	104	104½	103	104¼	102¾	104½	..
Quebec Rly.	5	1939	5.54	98	89¾	95	91⅞	95¼	95	95	94¾
Winnipeg Elec.	5	1927	8.45	95	92½	96¾	96¾	96¾	..	96¾	..
War Loan	5	1931	4.75	102.65	101.00	102.40	100.35	101.00	100.85	101.10	100.85
Do.	5	1937	4.65	104.95	103.80	104.65	102.90	103.35	103.20	103.50	103.20
Victory Loan	5½	1927	4.70	103.15	101.70	101.75	100.00	100.95	100.65	100.85	100.50
Do.	5½	1933	4.82	107.00	105.10	106.80	103.65	104.30	104.00	104.10	103.90
Do.	5½	1934	5.00	104.80	103.20	104.10	102.70	103.30	103.20	103.25	103.10
Do.	5½	1937	4.70	110.00	108.15	109.30	106.90	107.70	107.40	107.65	107.30
Do., Renewal	5½	1927	4.96	103.15	101.70	101.75	100.00	100.60	100.25	100.60	.....
Do.	5½	1932	5.01	104.20	102.60	103.40	102.00	102.65	102.30	102.55	102.30
Do., refund	5	1928	4.90	104.45	100.15	101.30	99.00	100.40	100.05	......	......
Do.	4½	1940	4.78	97.25	92.00	96.70	95.60	96.25	96.00	96.25	.....
Do.	5	1943	4.85	102.95	100.15	102.20	101.15	101.95	101.60	101.60	101.30
Do.	4½	1944	4.85	97.65	96.20	97.15	95.75	96.25	96.00	96.25	96.05
Do.	4½	1946	4.77	.....	......	96.80	95.65	96.20	96.00	96.50	96.20

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Mt. Royal Catholic School	Nov.	L. G. Beaubien & Co.	5%	Serial	$40,000	.....	....
Ford Separate School	Nov.	Harris, MacKeen & Co.	5½%	30-ins.	64,000	.....	....
St. Foy, Que.	Nov.	Lagueux & Darveau	5%	20-yr. ser.	13,000	98.32	5.20
Brantford	Nov.	Locally	5%	10 & 20 ins.	60,000	100	5.00
Cookshire, Que.	Nov.	Hanson Bros.	5%	25-yr. ser.	25,000	98.51	5.15
Quebec, Que.	Nov.	Locally	...	....	506,500	.....	....
Charlesbourg, Que.	Nov.	Credit Anglo-Francais	5%	15 yr.	68,000	.....	....
Edmonton	Nov.	City's Fiscal Agents	...	....	500,000	.....	....
South Vancouver School	Nov.	Royal Financial Corp.	5½%	40 yr.	27,000	103.27	5.31
Point Grey	Nov.	Pemberton & Son, and Wood, Gundy & Co.	5%	...	744,000	98.43	....

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Bond Issues—	Date issued	Offered by	Rate	Maturity	Amount	Price	Cost Basis
Lake & Rail Warehouse & Elevator Corp.	Nov.	A. E. Ames & Co.	6%	1951	$1,400,000	100	6%
Jones Bros. of Canada	Nov.	Gairdner & Co., and Stewart, Scully Co.	6½%	1946	300,000	100	6½%
Stock Issues—							
Brock Company (Western)	Nov.	Carlile & Fair, Calgary	7%	Pref. (With bonus of 50% of common)	150 000	100	....
Central Manitoba Mines	Nov.	Bongard & Co., and Syndicate	...	.....	495,000 shares%	1.00	....
		Provincial					
Saskatchewan	Nov.	Dom. Securities Corp. and Dillon, Read & Co.	4½%	30-yr.	2,500,000	.....	....
Newfoundland	Nov.	Bank of Montreal	...	.....	5,000,000	96½	....

SAPIRO AND WOOD CLASH OVER POOL IDEA IN ALBERTA

Now Fighting for Credit for Wheat Co-operative There

From Our Own Correspondent.

CALGARY.—Almost before H. W. Wood, head of the Alberta Wheat Pool, has had time to don his old, but favorite black trilby hat, after his return from his tour of the Far East and Australia, he has "the gloves on" with Aaron Sapiro, famous co-operative marketing expert.

It is well-known there is no love lost between the head of the Alberta agrarians and Mr. Sapiro, although hitherto it has not appeared on the surface.

This is easily accounted for. The wheat pool idea did not originate with Mr. Wood. It originated when Mr. Sapiro was brought to Calgary at the expense of the Calgary Herald and the Edmonton Journal, but no credit was ever given by Mr. Wood to those newspapers. On the contrary, at the annual convention of United Farmers of Alberta, held in Edmonton two years ago, he stated that the wheat pool in Alberta had been brought about "by accident."

Dropped Mr. Sapiro

When Mr. Sapiro came to Calgary, a little more than three years ago, he gave the directors of the U. F. A. very full and complete advice as to how they might operate a wheat pool. But that was the end of Mr. Sapiro so far as the U. F. A. was concerned. The directors, (or was it Mr. Wood himself?) thought they could tackle the matter quite well without his further aid, and, if the number of contracts count for anything, it must be said that the pool has, up to now, met with a large measure of success.

Mr. Sapiro, after a long silence, now taxes the Alberta Wheat Pool officials with self-seeking, and states that the domination of the pool by the U.F.A. will ultimately destroy one or the other. "Alberta, where the whole idea of co-operative grain marketing started originally, is now the farthest behind of the three prairie provincial wheat pools," he avers, intimating that politics and personal ambitions were warping the whole system. He makes the forecast that there would be a real fight when the new sign up campaign started.

Woods Talks Back

Mr. Wood has replied to this criticism in typical manner. Instead of an anticipated ripsnorter of a broadside, he waxes sarcastic in his comment on Mr. Sapiro's criticism. "Mr. Sapiro warns us against the dangers of 'personal ambition'," says Mr. Wood. "I might say that we have sensed the danger of 'personal ambitions' and have been, and still are, on our guard."

The farmers of Alberta, states Mr. Wood, are well satisfied with the progress they have made in their own way during the past three years in marketing their wheat co-operatively. "They certainly believe it is their own pool, that the operation of it is their own business. If Mr. Sapiro's advice has no other merit it seems to have that of being free, but it happens that the use of free advice sometimes proves to be very expensive," states the head of the Alberta Wheat Pool.

Speaking generally, Mr. Sapiro's criticism has caused some surprise in Alberta, although it is admitted in many quarters that his opinion is worthy of consideration.

Members Said to Approve

While it may be true the Alberta pool has not been quite so eager to adopt some of the drastic steps of Saskatchewan, it must be said that the more cautious attitude of the directors of the Alberta pool has met with the approval of the majority of its members.

It must not be inferred that the Alberta pool directors, by their slower methods, are men of less business acumen and ability than those in charge of the other two prairie wheat pools. There are innumerable pitfalls in connection with such a gigantic and new undertaking, and many of the paths have as yet been untried. No one can find reasonable fault with the slower but surer methods adopted.

Although Mr. Wood, was somewhat evasive in his reply to Mr. Sapiro, it must be said that he and his fellow trustees retain the confidence of all those who are in any way connected with the farmers' co-operative movement in Alberta.

N. B. POTATO CROP IN

The harvesting of the New Brunswick potato crop is now completed, according to the Hon. B. Frank Smith, president of the New Brunswick Potato Shippers' Association. With practically the entire crop of the Carleton and Victoria County potato belt stored, the losses resulting from recent heavy rains will be much lighter than at first thought.

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Insurance for Buyer and Seller

STEADILY LOWER LIFE INSURANCE COSTS TO PUBLIC

Sense of Stewardship Leads Companies to Recognize Responsibility

By EDWARD E. RHODES, President, Actuarial Society of America, in address to Canadian Life Insurance Officers' Association.

The beginning of life insurance on this continent dates back about eighty-five years. While a company had been organized many years earlier, its appeal was confined to the members of a particular religious organization. To-day the appeal is universal. As our civilization has become more complex, so have the demands for life insurance increased. In the early days it served a single need; it now serves many.

At the beginning of the present year the companies organized in Canada and the United States, with outstanding insurance contracts of $75,507,633,351, controlled assets of $12,371,163,131. This vast aggregate calls for serious thought. Such great accumulations of assets in the hands of a comparatively small number of institutions might seem to the casual observer to be contrary to a sound public policy. Their justification rests upon the demonstrable fact that life insurance is meeting a public need which cannot be met in any other way. Moreover, these accumulations have not been buried in the ground. They have supplied national and local governments with funds to conduct the public business. They have built railroads. They have developed farms and industries. They have created wealth which has remained in hands of those whose securities the companies have held. Through the operations of life insurance companies our citizens, regardless of whether their lives are insured or uninsured, live in better homes, have more educational facilities, and are richer in all phases of social and family life.

Influence Far-Spreading

Unlike other financial institutions, these effects have not been confined to the communities in which the companies are domiciled. They spread from the Atlantic to the Pacific. It is doubtful if there is a hamlet in Canada or the United States which has not been benefited by life insurance investments. In fact, it may be said that in the case of an individual company they prevail least in the immediate neighborhood of its home office. Life insurance companies do not control the money market. They have not drained money from one section in order to concentrate it in another. It has flowed wherever it was needed and secured. They do not dictate the rate of interest which borrowers shall pay. They are not particularly concerned with high rates of interest. Their chief concern is with the safety of their investments, and they know that the degree of safety which they seek is not generally accompanied by high rates.

Most Policyholders Not Investors

The great majority of policyholders are not investors. They play little, if any, part in the financial life of their country. Disregarding industrial insurance, the average annual premium per policy is probably not over $100. By entering into the largest and most successful co-operative scheme which the world has ever seen, the results which I have tried to set forth have been made possible.

Attendant upon and following the Great War we have been subjected, in common with all businesses, to increased costs of operation, and to higher taxation. We must pay the current prices for clerical help and for supplies. Nor does it seem possible to reduce agency costs. The prevailing scales of agency compensation are no higher than is necessary to attract competent and reliable men. It is true that there are a few agents, who, because of outstanding qualities, are in possession of large incomes; but these men receive the same rate of compensation as their least successful brethren. The cost to the company of a certain volume of business is no greater when that volume is produced by one man than it is when produced by ten men. It should be less, because of the smaller supervision required.

May I say a few words regarding taxation, recognizing that a great deal has been said upon it to little or no effect, and that what I may say is likely to have the same result? The tax-gatherer is always with us and for him life insurance companies have been a shining mark.

I have referred to life insurance as a co-operative enterprise. Its chief concern is, and always will be, the relief of widows and orphans,—the perpetuation in some degree of the family income after the wage-earner's death. What he cannot accomplish acting individually is made possible co-operatively.

Life insurance is not philanthropy, but it is benevolent in character, and its cost should not be unduly increased by taxation. The business is corporate in form because that form lends itself best to the continued transaction of business; but the policyholders, who are the ones most vitally interested therein, even in a company with capital stock, are not ordinarily subjects for special taxation. It is difficult to understand why the average policyholder, whose circumstances of life are very ordinary, and who is no more affluent than his uninsured neighbor, should be so singled out. Insurance companies should perhaps bear the cost of supervision, but beyond that taxation should not go. We do not ask for any favored treatment, but we do ask for equality. The system of levying a tax upon the premiums paid by policyholders is particularly unjust. Premiums are paid out of wages. A tax upon premiums is therefore a tax upon income and upon those incomes which ordinarily would not be subject to an income tax.

Cost of Insurance Lower To-day

Notwithstanding the increased costs of management and rates of taxation, the companies are furnishing insurance to-day at a lower price than ever before. This has been made possible by the adoption of more economical methods of transacting the business, and by developing the art of underwriting to a very high degree. It is probable that further advances along these lines cannot be made, and the public must expect an increase in the cost of insurance if expenses and taxes are further increased.

According to such data as are available to me, the life insurance companies of the United States have received premiums amounting to $25,912,621,859. They have returned to policyholders $15,543,705,262, leaving in their hands $10,368,916,597. The receipts from interest have sufficed to pay all expenses and taxes, and to add $916,849,594 to the premiums still in their hands. Similar data for the Canadian companies are not available to me; but I am confident that they would show results fully as favorable, if not more so, as those of the companies in the United States. I have included the figures for a large group of companies which have been in existence less than twenty years. If these were excluded, a much more favorable showing could be made.

Responsibilities to Public

A life insurance company is not a trustee, nor are its assets trust funds. The premiums paid become the sole property of the corporation and the only legal obligation which the corporation is under is to fulfil the terms of the contracts into which it enters. It is, however, under moral obligations. There are the obligations that the accumulated funds shall be used in furtherance of and not against the public interests, that these funds shall be safely and conservatively invested, and that insurance shall be furnished at the lowest possible cost. There is also the obligation that one class of policyholders shall not be favored at the expense of others. It stands as a lasting monument to the glory of life insurance that the largest possible degree of equity has been accomplished between those insuring at different times, at different ages and on different plans.

The services which life insurance companies are organized to perform have been rendered with fidelity and intelligence. It is particularly worthy of note that at this period of high costs, the cost of life insurance has been reduced to an unprecedented degree. This reduction in cost has followed great liberalization of the policy contract, by which avenues of gain hitherto available to the companies have been eliminated. Life insurance stands to-day in greater public favor than ever before.

Appointed to Important Post

The Sun Life Assurance Company of Canada has announced the appointment of W. R. Moreland as assistant manager of the Montreal City Division. Mr. Moreland has had a successful business career and has been with the Sun Life of Canada for some considerable time. He has been a successful underwriter and two years ago was appointed instructor of agents at the Montreal city division, a position he has held with marked success.

BUSINESS INSURANCE STABILIZES CREDIT

So Long as Money is Loaned on Character of Borrower Business Life Insurance Needed

Credit in business is based to a great degree on personalities as well as on financial statements or inventories. The banker takes into consideration the man or men with whom he is dealing, also their ability and reliability. If he feels they are capable and honorable he is willing to lend his money for a sound business purpose.

Because credit is extended in this way, loss by death of a partner or an active business associate often means a distinct tightening of credit lines. This is natural. Standing alone and without the support of his partner, the survivor cannot be regarded in the same light as before. He must prove, all over again, that he alone is capable of continuing the business. If he should take a new partner, both must prove themselves in the same way.

Hence, in the period of readjustment there will be a shrinkage in credit that is almost unavoidable and a consequent demand on the resources of the surviving partner for capital to continue the operation of the business.

When a partner or associate is insured, no matter if loans are called and credit tightened, business life insurance supplies cash funds—available immediately—to tide the business over the emergency period and through the time of readjustment without crippling the finances of the firm.

Besides stabilizing credit at the period of emergency, business life insurance can be used to good advantage in several other ways. It can be utilized to build up a single fund to offset depreciation of plant or machinery, amortize a mortgage, or build a reserve for future business expansion. Its cash surrender and loan value is always available. There are a good many instances where firms were able to weather financial storms through the ready cash obtained on life insurance policies. The banker, too, is generally more willing to lend to the man who has shown good business judgment by protecting his business in this way, for by inference such a man will display equal caution and good sense in the management of his business.

Insurance Personals

The following changes in the field are announced by the Canadian head office of the Metropolitan Life Insurance Company:

Francois M. Rioux, agent at Chicoutimi, Quebec, is appointed assistant manager at Chicoutimi.

John W. Smith, assistant manager at Danforth, Toronto, is appointed general assistant manager in Canadian territory.

H. W. Bickerstaff, formerly assistant manager at Danforth, Toronto, is reappointed assistant manager at Danforth.

J. Raoul Deneault, agent at St. Denis, Montreal, is appointed additional assistant manager at Laval, Montreal.

Edwin H. Willard, agent at Providence, R. I., is appointed installer, advance and arrears system in Canadian territory.

Horace J. Mansell, formerly assistant manager at Riverdale, Toronto, is appointed agent unattached at Riverdale.

O. W. Rorke, general assistant manager in Canadian territory, is appointed assistant manager at Parkdale, Toronto.

W. E. Crossey, general assistant manager in Canadian territory, is appointed assistant manager at Lake Shore, Toronto.

Harry Tait, assistant manager at Lake Shore, is appointed agent at Parkdale.

Harry Pike, agent at Lake Shore, Toronto, is appointed assistant manager at Lake Shore.

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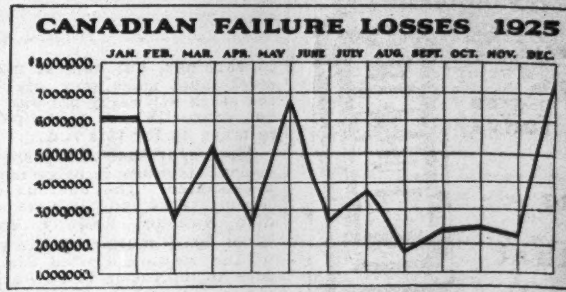

What Month Do Most of *Your* Customers Fail?

In this interesting chart, which shows the failure losses of Canada for 1925, December is highest, and August lowest. But this year just the reverse might be true. And next year still a different result, Such is the actual history of commercial failures.

It proves that you simply cannot tell in advance just when failures and bad debt losses are going to hit you, or from what source. Small wonder, then, that more and more Canadian Manufacturers and Jobbers every year are *protecting* their resources against the unknown and unexpected, with one of our policies of Credit Insurance.

Policies scientifically designed to fit your exact needs. Let us tell you about them.

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R. J. MULLEN, General Manager for Canada,
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WHAT WILL YOU LEAVE YOUR DEPENDENTS?

It is stated that the proceeds of Life Insurance constitute 81% of all property left by persons in the United States. In Canada the proportion is probably about the same.

Your dependents have 19 chances in 100 of inheriting any property—outside of your life insurance.

Canadians took out over seventy millions of dollars in life assurance during 1925, in the Sun Life Assurance Company of Canada, against the above contingency in the case of their families.

Were your dependents among those so protected?

SUN LIFE ASSURANCE COMPANY
OF CANADA
Head Office: Montreal

Did You Ever Consider Life Underwriting As a Career?

ALL the favorable attributes of other vocations seem to be joined in one in Life Insurance Salesmanship.

As a business, Life Insurance is the largest on the North American Continent.

As a field for service it enables its representatives to accomplish untold good for the business and family life of the community.

As an opportunity for financial advancement it offers plenty of scope.

As a career it is lifelong, healthful, independent, and affords a broad mental development.

—And The London Life trains its men to succeed.

If you are interested in entering this new profession, let us tell you something of our development plans.

In the past 25 years The London Life has grown 3½ times as rapidly as the business of insurance as a whole. We require a few good men who can work in with our expansion program.

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HEAD OFFICES - LONDON, CANADA
Policies "Good as Gold"

EXPECT U.S. MILLS TO GROW FURTHER ON WHEAT IMPORT

No Relief for Awkward Situation Seen by Investigators

Canadian millers oppose American milling of Canadian wheat in bond for export; but, according to a new publication of the Food Research Institute of Stanford University, California, this practice is likely to persist. 15,583,000 bushels were so imported and milled in the fiscal year 1925-26, chiefly by mills in the states bordering the Great Lakes. Buffalo, because of its location, is the great American centre for milling Canadian wheat, whether for domestic consumption or for export. The tendency thus to mill Canadian wheat is likely to grow, the institute declares, and Buffalo to expand as a milling centre, because American wheat good enough to mill into standard flour for export is becoming too expensive. It tends to become too expensive because domestic demand is principally for the highest quality of bread flour, made from superior wheats of which the United States does not in ordinary years produce a surplus. Soft American wheats are not so used and the profitable disposition of their under-premium grades is one of the problems of American wheat growing which is likely to be accentuated in the future, so long as demand for flour quality continues exacting.

Sometimes Import For Home Use

Some Canadian wheat, in 1925-26 over one and one-half million bushels, pays the duty of 42 cents a bushel and is milled for domestic consumption. Detailed price tables published by the Food Research Institute comparing prices in Winnipeg, plus the duty with prices of similar kinds of American wheats, show that at times Canadian prices are below American even when costs of transportation are considered. Hence at such times American millers in the Great Lakes territory may find importation for domestic consumption advantageous both because of price and because of quality.

A large and good crop of American hard wheat and a small or poor crop of Canadian hard wheat operate to deter importation of Canadian wheat; a small crop of American hard wheat and a large crop of Canadian hard wheat act to stimulate imports. The demand of American consumers for high-grade flours which must be ground, at least in part, from hard wheats, and the desire of millers to maintain their export trade, are the principal causes determining U. S. importations from Canada. In time, if the present American duty continues in force, expansion of wheat farming is likely to occur wherever in the United States hard wheat can be grown: in Montana, Kansas, eastern Colorado, southeastern New Mexico, northwestern Oklahoma and Texas, declares the institute.

Calls Orient Market Big for Canadian Hard Wheat

From Our Own Correspondent

VANCOUVER.—Flour mills in Shanghai have learned the value of Canadian hard wheat, according to C. O. Julian, special investigator for the Vancouver harbor board, who has just returned from a tour of the Far East. Wheat shipments from here to the Orient will surpass all previous records next year, he believes.

"My work in the Orient has convinced me that Canada has a wonderful opportunity to develop her trade with the Far East at this time," said Mr. Julian. "It has convinced me also of the widespread ignorance in the Far East of conditions and even of geography of this continent. I found many merchants anxious and willing to do business in Canadian wheat, surprised to hear that Canada was a separate country distinct from its neighbor to the south.

"On the other hand, I found millers at Shanghai and generally throughout the land who knew the qualities of our hard wheat and were making every effort to import larger quantities of it. They mix it with the poorer grades of wheat that pass through their hands to keep up the standard of the whole.

"I saw enough in the last nine months to be convinced that the Pacific Coast has growing trade opportunities in the Orient, the more real as some effort is made to overcome the lack of general knowledge of this continent. Possibilities for the development of increasing Canadian exports to the Far East rests with us and any measure Canadians put forth in this direction will reap a rich harvest."

Canada Northern Power Completes Rouyn Line

From Our Own Correspondent

MONTREAL. — The power line to Rouyn has been completed by the Quinze Power Co., a subsidiary of the Canada Northern Power Corporation. The line is now ready to furnish the mines in the territory with power.

It is understood that the company has secured power contracts from the Waite-Montgomery and Towagamac, as well as Noranda, and it is likely that Amulet will also be served. A shortage of power this winter is not anticipated by power company officials, although the fall season was an unusually dry one.

It is pointed out that the Porcupine camp could go through a very dry season without any difficulty, as some thousands of unused horsepower is available from the Quinze. The water storage facilities of the Northern Ontario Light & Power Co. are now in a much better position, owing to the new storage dam, which has raised the water of Lady Evelyn Lake several feet. This work to raise the water in the lake and its tributaries was finished this year.

An additional 3,000 horsepower will soon be available for the Kirkland Lake camp from the Indian Chutes plant, which was built by the Great Northern Power Co. At the present time this plant is only delivering enough power to keep the pumps operating at the Night Hawk Peninsular Mines.

All these power companies are subsidiaries of the Canada Northern Power.

Current Events in Banking World

IMPERIAL BANK'S FUNDS EMPLOYED IN LARGER DEGREE

Extension in Call Loans and Current Loans Shown by Report

Imperial Bank of Canada's annual statement is always taken as the straw showing which way the wind blows in banking profits and operations. It is the first of the annual statements to be published. The figures for the year ended October 30 last, became available this week and showed satisfactory gains in profits, assets, current loans and savings deposits, the four major figures in any banking statement.

Profits for the year amounted to $1,265,776, an increase of $103,000, this increase being almost twice the amount of the gain made in the previous year when it amounted to $55,000.

Add to Profit and Loss

After disbursements, the bank was able to add $153,000 to its profit and loss surplus. The total shareholders' equity at the end of the year was over $16,000,000, including capital of $7,000,000; reserve of $7,500,000; dividends payable of $280,752 and the surplus.

Comparative profit and loss figures follow:

Profit and Loss

	1926	1925
Profits	$1,265,776	$1,162,148
Pension fund	$ 42,500	$ 42,500
Taxes	160,000	150,000
	$1,063,276	$ 969,648
Dividends	$ 840,000	$ 840,000
Bonus	70,000	70,000
	$ 153,276	$ 59,648
Previous balance	1,098,871	1,039,223
	$1,252,147	$1,098,871

Analysis of the balance sheet shows a more satisfactory condition of affairs, the assets being larger and the bank's funds being much more actively and profitably employed than in recent years. However, there it is shown that capital available for the commercial and industrial needs of Canada is ample, as a considerable extension of current loans could be made without interfering with the bank's position.

Savings deposits increased by nearly $6,000,000 and current deposits were down somewhat. The increased funds available have been used to the extent of nearly $5,000,000 in extending current loans and nearly $2,000,000 in enlarging call loans in Canada. No other significant changes are to be noted in the balance sheet figures with the exception of the gold holdings, which have shown an increase of $500,000 during the year.

The Financial Post's analysis of the annual report of the bank for the past two years is as follows:

IMMEDIATELY AVAILABLE LIQUID ASSETS

	1926	1925	Change
	$	$	$
Specie	963,103	980,556—	17,453
Foreign curr.	167,223	124,174+	43,049
Dom. notes	10,473,959	11,244,965—	771,006
Note cir. dep.	332,731	323,041+	9,690
Notes, bank	685,017	753,238—	68,221
Bank balance	507,653	627,610—	119,957
Do., ab'd.	4,235,807	2,890,428+	1,345,379
Gov. secs.	15,846,623	15,317,561+	529,062
Cheques	5,845,343	5,889,793—	44,450
Gold res.	4,004,467	3,504,467+	500,000
Call loans abd	5,000,000	5,000,000	.....
	48,061,926	46,655,833+	1,406,093
% total assets	36.6	37.5—	.9
% total liab. to public	41.7	42.8—	1.1
Other Assets			
Pub. secs.	5,695,435	6,468,246—	772,811
Other secs.	64,832	132,802—	67,970
Loans, gov.	1,209,878	1,262,686—	62,808
Curr. loans	55,186,971	50,225,801+	4,961,170
Do. ab'd.	....	614,045—	614,045
Non.-curr.	251,874	201,955+	49,919
Call loans in Canada	8,427,522	6,563,094+	1,864,428
Lets. of cred.	564,397	503,785+	60,612
Real estate	634,524	612,437+	22,087
Mortgages	550,945	410,531+	140,414
Premises	4,921,660	5,056,813—	135,153
Mun. Loans	5,912,982	5,793,169+	119,813
Other asses	349,363	369,121—	19,758
	83,770,383	78,214,485+	5,555,898
Total assets	131,832,309	124,870,318+	6,961,991
Liabilities to Public			
Circulation	10,692,633	10,678,152+	14,481
Dem. deposits	18,409,936	19,527,421—	1,117,485
Savings dep.	82,377,079	76,406,747+	5,970,332
Due Banks	3,460,665	1,641,924+	1,818,741
Due else.	294,699	232,018+	62,681
Lets. of cred.	564,397	503,785+	60,612
	115,799,409	108,990,047+	6,809,362
To Shareholders			
Capital	7,000,000	7,000,000	....
Reserve	7,500,000	7,500,000	....
Dividends	280,752	281,399—	647
Balance	1,252,148	1,098,872+	153,276
	16,032,990	15,880,271+	152,629
Total liab.	131,832,309	124,870,318+	6,961,991

We Manage Syndicates and Small Companies

For a moderate fee—much less than a similar service might otherwise cost—a specially-trained staff will manage your business affairs.

May we explain this service to you?

THE STERLING TRUSTS CORPORATION
10-12 East King St., TORONTO
Branch:—REGINA

Commercial and Industrial Expansion in Canadian West

APART from the satisfactory figures showing increase in volume of trading in the West, there are certain pertinent facts tending to emphasize the opinion that the progress of improvement during the last few years is viewed by the Western trade with confidence, and that greater business is to be coped with during the immediate coming years. In the retail business evidence of this confidence is found in the construction of an immense retail store by the Hudson Bay Co., at Winnipeg, to be partly opened this fall and completed by February next—the rebuilding and expansion of the same company's store at Vancouver, the proposals for a new store at Regina, and acquisition of more land at Edmonton for expansion in the near future. The expansion and additions by the T. Eaton Co. in their mail order building, new printing building and garage in Winnipeg, and additions to their Saskatoon house. Woodwards at Vancouver have doubled the capacity of their store and are building one at Edmonton, while Spencers, Ltd., Vancouver, are erecting a new addition which will give them a store covering practically one whole block. In addition, throughout the West, many of the smaller houses have added to their floor space, erected new buildings and in many ways shown the trades confident expectations of a distinct increase that is coming in the West's purchasing power.

Among the wholesalers, whilst there have been a few amalgamations with a view to reduce costs of operations, many firms have been, and will be, in the market for additional space, or entirely new buildings, this is noticeable throughout the Prairies, and is a necessary adjunct to keep pace with the expansion of the retail trade.

The last two years are noticeable for the increase in manufacturing plants erected at Western points, after a somewhat lengthy period of curtailment. Large meat packing houses at St. Boniface, Moose Jaw, flour Mills at Calgary and Saskatoon, and smaller mills at several country towns, new fruit and tomato canneries in B.C., expansion of cannery plant in Winnipeg, erection of new saw and shingle mills, machine shops, doubling capacity of tin can plant at Vancouver, the enlargement of many of the smaller industries to take care of expanding markets, or adding new lines of products to those already produced.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES	Nov. 19 1925	Nov. 18 1926
Halifax	$3,154,577	$3,978,522
St. John	2,777,311	2,662,072
Moncton	1,010,443	931,260
Sherbrooke	895,363	990,367
Quebec	6,442,967	7,576,925
Montreal	114,472,349	119,065,647
Ottawa	7,418,037	7,660,588
Kingston	855,098	770,736
Peterboro'	688,787	848,729
Toronto	110,901,043	109,344,240
Hamilton	5,465,213	6,441,259
Branford	1,056,642	1,195,889
London	3,229,220	3,145,471
Kitchener	1,061,709	1,192,796
Windsor	4,689,985	5,187,288
Total, East	264,118,744	270,091,789
Chatham		730,189
Sarnia		720,908

WESTERN CITIES	Nov. 19 1925	Nov. 18 1926
Ft. William	1,056,161	1,774,206
Brandon	722,481	871,737
Winnipeg	79,598,096	74,623,808
Regina	8,618,383	8,477,117
Saskatoon	3,183,946	2,819,690
Moose Jaw	1,633,980	1,776,174
Pr. Albert	524,828	470,489
Calgary	9,140,851	11,122,626
Edmonton	5,628 236	6,103,725
Med. Hat	433,003	433,033
Lethbridge	628,927	822,338
N. Westminster	746,946	780,199
Vancouver	18,631,944	18,052,425
IMPERIAL BANK		
Victoria	2,112,587	2,151,890
Total, West	132,660,369	130,279,457

How to outspeed your competitors

Learn to make your selling trips by Long Distance. It is saving the business men of Canada many thousands of dollars annually.

THE BELL TELEPHONE CO. OF CANADA

What's Wrong With Shorthand?

Secretaries Say:—

"Those awful waits while he chats over the phone."

"Nothing doing till 3 and then two days' work."

"No one else can read my notes."

"Hours wasted while he's in conference."

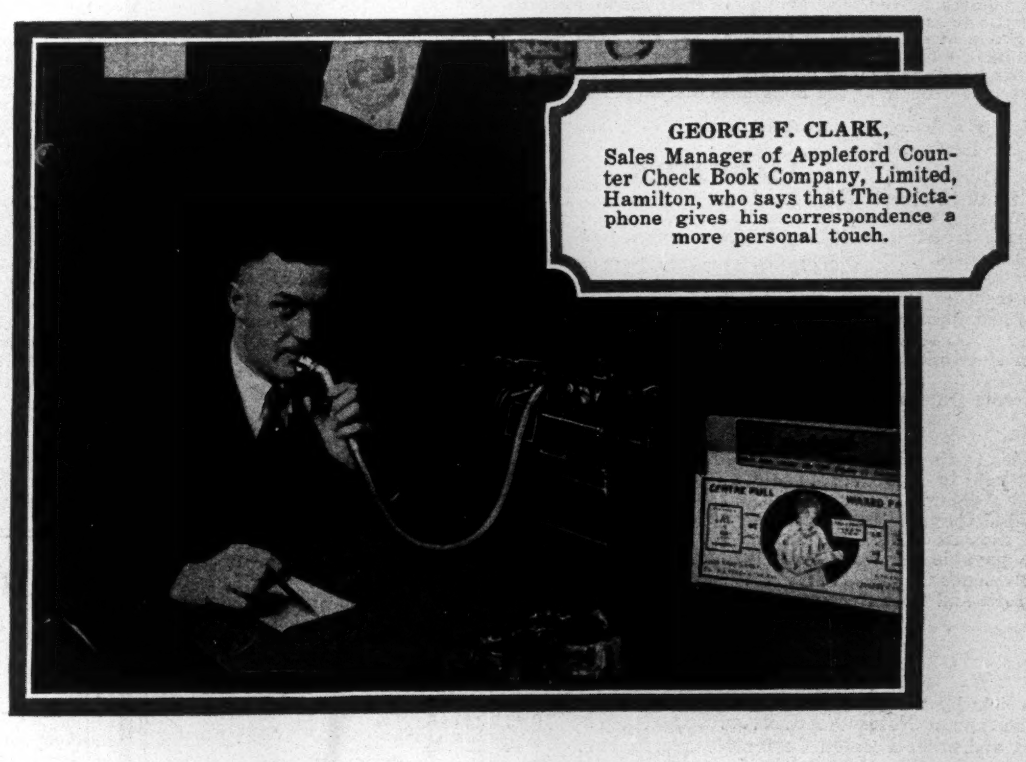
"I'm 10% secretary and 90% slave to my notebook."

"Yes, I do mind staying late."

"Cold notes are maddening."

"He talks so fast I'll be getting writer's cramp soon."

That's enough! I'll show him this trial offer now.



GEORGE F. CLARK,
Sales Manager of Appleford Counter Check Book Company, Limited, Hamilton, who says that The Dictaphone gives his correspondence a more personal touch.

What's Wrong With Shorthand?

Executives Say:—

"It's the 'ring and wait' system."

"If she could only take it as fast as I think."

"She can't help me with other things."

"If I could only dictate while it's fresh in my mind."

"Out sick, so my letters have to wait."

"Pshaw! she's gone. I'll have to wait till tomorrow."

"I had all this clear in my mind last night."

"She can't get out all she's taken."

"I'm forced to cut dictation short."

That's enough! I'll send in the coupon below on general principles.

Shorthand Delayed Him at Every Turn

How much more independence does an executive enjoy with The Dictaphone than with old-fashioned dictation?

Read Mr. Clark's experience—then note our coupon offer.

"VERY satisfactory indeed!" That's Mr Clark's endorsement of the installation of Dictaphones in the offices of the Appleford Counter Check Book Co., Ltd., of Hamilton, of which he is Sales Manager. In this capacity, Mr. Clark is, of course, responsible for an endless amount of correspondence—much of which requires his personal attention.

And right here is where Mr. Clark evidently discovered one of the unique advantages of Dictaphone dictation, for he says, "When dictating to The Dictaphone you feel as though you were talking to the customer or representative direct—and not to a third party."

Highly important, also, to this busy executive, is the fact that The Dictaphone permits him to dictate during the noonday lull, and at any other convenient time, without waiting to call his secretary. And even more important, "when thoughts are fresh in his mind!"

"Best of all," he summarizes, "is the knowledge that—though we get out a greater number of letters than ever before—our correspondence is always up-to-date."

Velma I. Martineau,
Secretary to Mr. Clark, who feels that The Dictaphone has greatly increased her value to her employers.

Mr. Clark just touches on the time stenographers save by the Dictaphone method of dictating correspondence. But Miss Martineau, his secretary, considers this method the basis of her success as a secretary.

"Letters ready to transcribe at an earlier hour." "No time and energy wasted taking notes." "No staying after hours to complete my work." "The day's correspondence finished in plenty of time to take care of real secretarial work." These are among the many reasons Miss Martineau advances to explain why she "would not go back to taking notes in the old way."

DICTATE TO THE DICTAPHONE
"Reg. Canada."
and double your ability to get things done

MAIL WITH YOUR LETTERHEAD TO
Dictaphone Sales Corp. Ltd.
33 Melinda Street, Toronto
T. R. CRAYSTON, General Manager

☐ I want to read what leading executives or secretaries say about increasing their ability with The Dictaphone. Mail me FREE copy of your booklet, "What's Wrong With Shorthand?"
☐ I am a Secretary ☐ Executive
[Check one]
☐ Please notify your nearest office to let me try a New Model 10 without obligation.

TF-3

World-wide organization—U.S.A., London, Paris, Brussels, Sydney, Shanghai, etc.

IMPERIAL BANK
OF CANADA

FIFTY-SECOND ANNUAL MEETING OF SHAREHOLDERS

The Annual General Meeting of the Imperial Bank of Canada was held at the Head Office in Toronto on Wednesday, 24th of November, 1926.

The Directors' Report and Statement of Affairs of the Bank for the year ending 30th of October, 1926, were presented as follows:

THE REPORT

The Directors have pleasure in presenting to the Shareholders, the Fifty-second Annual Report and Balance Sheet of the affairs of the Bank as on 30th October, 1926, together with Statement of Profit and Loss Account showing the result of the operations for the year.

The Balance at credit of Profit and Loss Account brought forward from last year was	$1,098,871.92
Profits for the year ended 30th October, 1926, after deducting charges of management, auditors' fees and interest due depositors, and after making provision for bad and doubtful debts and for rebate on bills under discount	1,265,776.31
Making a total at credit of Profit and Loss Account of	$2,364,648.23
This amount has been appropriated as follows:—	
Dividends at the rate of 12 per cent. per annum	$ 840,000.00
Bonus of 1 per cent. for the year	70,000.00
Annual Contribution to Officers' and Employees' Pension and Guarantee Funds	42,500.00
Dominion Government taxes—paid and reserved	160,000.00
Balance of Account carried forward	1,252,148.23
	$2,364,648.23

During the year Branches of the Bank were opened at Kitchener and Elk Lake, Ontario. Branches were also operated during the summer season at Hudson and Pine Ridge, Ontario, in the Red Lake Gold area.

It is with deep regret that your Directors have to record the death on 6th November, 1926, of Mr. John Northway, who was a customer and Shareholder of the Bank for many years and became a Director in 1915. The vacancy in the Board has been filled by the appointment of his son, Mr. John A. Northway.

The Head office and Branches have as usual been carefully inspected during the year and the Auditors appointed by you have also made their examination as required by law. Their report and certificate is attached to the Balance Sheet. In common with other Banks, the annual investigation of the affairs of the Bank has also been made by the Inspector General of Banks appointed by the Dominion Government for the purpose.

The Directors have again much pleasure in bearing testimony to the satisfactory manner in which the various officers of the Bank have discharged their respective duties during the past year.

All of which is respectfully submitted.

PELEG HOWLAND,
President.

Toronto, 23rd November, 1926.

LIABILITIES

Notes of the Bank in circulation		$ 10,692,633.00
Deposits not bearing interest	$18,409,936.35	
Deposits bearing interest, including interest accrued to date of Statement	82,377,078.56	
		100,787,014.91
Balances due to other Banks in Canada	$3,460,665.34	
Due to Banks and Banking Correspondents in the United Kingdom	21,072.71	
Due to Banks elsewhere than in Canada and the United Kingdom	273,626.32	
Letters of Credit Outstanding	564,397.39	
		4,319,761.76
Total Liabilities to the Public		$115,799,409.67
Capital Stock paid in	$7,000,000.00	
Reserve Fund Account	7,500,000.00	
Dividend No. 145 (payable 1st November, 1926) for three months at the rate of 12% per annum	210,000.00	
Bonus of 1% payable 1st November, 1926	70,000.00	
Unclaimed Dividends	751.75	
Balance of Profit and Loss Account carried forward	1,252,148.23	
		16,032,899.98
		$131,832,309.65

ASSETS

Current Coin held by the Bank	$ 963,103.07	
Dominion Government Notes	10,473,959.25	
United States and other Foreign Currencies	167,223.22	
		$11,604,285.54
Deposit in the Central Gold Reserves		4,004,466.66
Deposit with the Minister for the purposes of the Circulation Fund		332,730.45
Notes of other Banks		685,017.00
Cheques on other Banks		5,845,343.35
Balances due by other Banks in Canada		507,653.35
Due from Banks and Banking Correspondents in the United Kingdom		228,567.39
Due from Banks and Banking Correspondents, elsewhere than in Canada and the United Kingdom		4,007,239.35
		$27,215,303.09
Dominion and Provincial Government Securities not exceeding market value	$15,846,622.77	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	5,695,434.67	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	64,832.26	
		21,606,889.70
Loans to Provincial Governments	$1,209,878.35	
Loans to Cities, Towns, Municipalities and School Districts	5,912,981.79	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures and Bonds, and other Securities of a sufficient marketable value to cover	8,427,522.09	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures and Bonds, and other Securities of a sufficient marketable value to cover	5,000,000.00	
		20,550,382.23
		$ 69,372,575.02
Other Current Loans and Discounts in Canada (less rebate of interest), after making full provision for all bad and doubtful debts		55,186,970.88
Non-Current Loans, estimated loss provided for		251,874.18
Real Estate other than Bank premises		634,523.84
Mortgages on Real Estate sold by the Bank		550,944.67
Bank Premises, at not more than cost, less amounts written off		4,921,660.21
Liabilities of Customers under Letters of Credit as per contra		564,397.39
Other Assets not included in the foregoing		349,363.46
		$131,832,309.65

PELEG HOWLAND,
President.

A. E. PHIPPS,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS:

We report to the Shareholders of the Imperial Bank of Canada:—

That we have audited the above Balance Sheet as at October 30th, 1926, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank, and is as shown by the books of the Bank.

The above Balance Sheet does not include money which has been set aside by the Shareholders from time to time for the purpose of a Pension Fund, a portion of which is invested in shares of the Bank.

A. B. SHEPHERD, C.A.,
of Peat, Marwick, Mitchell & Co.
D. McK. McCLELLAND, F.C.A.,
of Price, Waterhouse & Co.

Toronto, November 19th, 1926.

The President in his address reviewed general business conditions and the General Manager commented upon the different items in Balance Sheet.

Messrs. A. B. Shepherd, C.A., of Peat, Marwick, Mitchell and Company, and Mr. D. McK. McClelland, F.C.A., of Price, Waterhouse & Co., were appointed Auditors for the ensuing year and other customary motions were made and carried unanimously.

The following Shareholders were elected Directors:—Peleg Howland, Sir James Woods, Sir James Aikins, K.C. (Winnipeg); Lieut.-Col. J. F. Michie, Frank A. Rolph, R. S. Waldie, George C. Heintzman, J. W. Hobbs, Walter C. Laidlaw and John A. Northway.

At a subsequent meeting of the Directors, Mr. Peleg Howland was re-elected President, and Sir James Woods, Vice-President, for the ensuing year.

PELEG HOWLAND,
President.

A. E. PHIPPS,
General Manager.

COMMONWEALTH BUSINESS LEADS 1925 BY THIRD

Life Insurance Company Makes Progress in Western Ontario

By Staff Editor

HAMILTON.—Preliminary figures compiled in the offices of the Commonwealth Life Insurance Co. indicate that the report for the calendar year, which will be issued next February, will show an increase of business of more than 30 per cent. over 1925. This remarkable gain is a reflection of the improved economic conditions in the country, and particularly in the district the company serves, as well as indicating a progressive and energetic sales effort on the part of the company's organization.

The directors of the company are continuing the sound policy of not attempting to write insurance in territory remote from the head office until such time as it is felt that the local business cannot be expanded further. This plan is effective in keeping down expenses and enables the officers of the company to keep in close touch with the field agents.

Twenty-pay Leads

It is said that Commonwealth now covers the Niagara peninsula and Western Ontario as thoroughly as any of the older companies. Outside territory is left to other companies for the present, with the exception of Ottawa, where an energetic and successful district agency has been established.

The company finds that twenty-pay life is still the most popular of policies. The endowment policies run the twenty-pays a close second and straight life is being bought freely by the older clients who find this form more to their liking. The company's clients for the most part are sold the non-participating policy in the belief that the fixed premium in the end is no more costly than the high premium at the beginning with a share in the earnings of the policy.

In this field also there are few policy-holders or prospects who evince much interest in so-called income insurance, whereby the insured will be paid a fixed income for life after a certain age. This kind of insurance is more costly than the average person cares or can pay, it is said. A less expensive type of income insurance is for a fixed term to the benefit of the policy-holder or his dependents.

Immigration to Alberta

Alberta received 12,070 immigrants during the first six months of the federal fiscal year in 1926, according to figures announced from Ottawa.

FOREIGN EXCHANGES

Canadian Funds Expected to Hold

Conducted by S. J. ZACKS.

Canadian funds touched the peak for the year on Tuesday when the premium went to 3/16 per cent. Gold shipments of $6,000,000 by the Canadian Bank of Commerce and the Bank of Montreal, and other institutions, followed. Gold movements, as pointed out in this column, are taking place much later this year than last, owing to the lateness of the navigation season.

This shipment of gold is the first that came to Canada since last July, when considerable came as a result of large financing by Canadian industrial enterprises. The reason given for the present import of gold is, of course, the favorable trade balance resulting from wheat shipments. It is said that Canadian farmers are selling 3,000,000 bushels of wheat daily. Further shipments of gold are expected; doubtless there would have been additional shipments were it not for the Thanksgiving holiday, which caused the loss of a day's interest.

Canadian banks, too, are said to be very anxious to increase their supply of gold at present in order that they might improve their year-end statements.

Decline To Be Less Marked

It is thought the decline in Canadian funds which usually follows the close of navigation will be less marked this year and will be a very gradual one.

The steadiness of sterling makes gold shipments from New York appear unlikely. With the coal strike over, it is expected that money rates will be a factor having an important bearing upon the course of sterling. The trend in the New York money market appears to be moving in the direction of lower levels. American deposits are, then, likely to increase in London. Furthermore, since the dividend season, which may be called the investment season, now approaches, and since there will be many flotations in New York, it is likely that the proceeds of these will in many cases find their way to London.

Losses Paid Out of Income

Statement by Reginald McKenna, of the Midland Bank, indicates that Britain's losses have been taken up by income and that capital remains untouched. The invisible items of services, such as insurance, steamship freight, banking facilities, interest on foreign investments, have made up for debit balance due to the suspension of coal and other exports. Britain has not had to liquidate her capital investments, and the income from these have served her in good stead.

The French and Italian currencies, which moved up so rapidly last week, have suffered partial declines. Export business of France began to suffer from the high-priced franc, and deflationary effects began to be felt throughout the whole country as a result of the rise in the French franc, which, in turn, has brought selling from France and a gradual easing off in the franc. This will be helpful to trade.

Uncertainty over the policy of President Luiz, as well as the reported recent revolts in Brazil, account for the decline of milreis to 11.75 cents. There is much speculation as to whether 12 or 14 cents will be the ultimate stabilization point.

Japanese yen continues strong at 49.3 cents. Japan has been doing some financing in New York and London, which largely is responsible for strength in yen.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Nov. 18	5-32	5-32	3-32	7-64
Nov. 19	5-32	5-32	3-32	7-64
Nov. 20	5-32	11-64	3-32	1-8
Nov 22	5-32	3-16	1-8	1-8
Nov. 23	3-16	3-16	11-64	1-8
Nov. 24	11-64	3-16	11-64	11-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Nov. 18	4.84½	3.50	4.22⅝
Nov. 19	4.84 7/16	3.59¾	4.18½
Nov. 20	4.84 9/16	3.63½	4.14⅝
Nov. 22	4.84 9/16	3.56½	4.23⅝
Nov. 23	4.84 9/16	3.48	4.19⅝
Nov. 24	4.84 9/16	3.60¾	4.20⅛

FOREIGN EXCHANGE

Par		Nov. 17	Nov. 24
19.30	Italian	4.24	4.20½
32.45	Brazil	13.00	12.31
23.82	German	23.78	23.78
19.30	Belgium	2.78	2.78
84.85	Japan	48.90	49.38

WALKER'S STILL UNSOLD

MONTREAL.—Reports have been published indicating that the forthcoming visit of Sir Mortimer Davis of the Canadian Industrial Alcohol Company may lead to his purchase of the Hiram Walker Company, of Walkerville, Ontario. The Financial Post learns, however, that this company, which is privately owned, and much of whose stock is held by estates, is not urgently offered for sale, and that no negotiations have been undertaken by Montreal interests leading to its acquisition.

TRAIL SMELTER RECEIPTS

The Consolidated Mining and Smelting Co., makes the following statements of ore receipts at Trail Smelter from 8th November to 14th November, 1926, inclusive, and from 1st January, 1926, to date, in tons:

	Week	Year
Company's mines	8,617	358,596
Other mines	4,382	143,732
	12,999	502,328

DUPUIS FRERES' LOAN

MONTREAL. — Dupuis Freres have negotiated a loan of $1,000,000 at an average rate of 5 2-3 per cent. for a period of fifteen years to provide for the increasing business of their departmental store and a meeting of shareholders had been called for Dec. 3 to sanction the loan.

ST. MAURICE VALLEY CORPORATION

DIVIDEND NOTICE

Notice is hereby given that a dividend of 1¾% for the three months ending December 31st, 1926, being at the rate of 7% per annum on the paid up Preferred Stock of this Corporation, has been declared and that same will be paid on the third day of January, 1927, to shareholders of record at the close of business December 15th, 1926.

By Order of the Board,
A. DEHAUFFE,
Secretary and Treasurer.

Montreal, November 17, 1926.

HOWARD SMITH PAPER MILLS Limited

DIVIDEND NOTICE on PREFERRED STOCK

Notice is hereby given that a Dividend of 2% on the Preferred Stock of the Howard Smith Paper Mills, Limited, has been declared for the quarter ending the 31st day of December, 1926, payable on the 10th day of January, 1927, to Shareholders of record at the close of business on the 31st day of December, 1926.

By Order of the Board,
E. HOWARD SMITH, Jr.,
Secretary.

Montreal, November 23rd, 1926.

BELGO CANADIAN PAPER COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following dividends have been declared for the quarter ending 31st December, 1926:

Dividend No. 14 on the preferred stock: One and three-quarters per cent. (1¾%) payable on the 3rd day of January, 1927, to Shareholders of record of the 4th day of December, 1926.

Dividend No. 9 on the common stock: One and a half per cent. (1½%) payable on the tenth day of January, 1927, to Shareholders of record of the 31st day of December, 1926.

By Order of the Board,
A. DEHAUFFE,
Secretary-Treasurer.

Montreal, November 17, 1926.

Authentic and Detailed Record —Will Prove of Value

Edmonton Journal in reviewing The Financial Post Survey of Mines.

Most newspaper readers are well aware that large progress is being made by the Canadian mining industry in nearly all its branches and that there are good grounds for expecting development on a much more extensive scale during the next few years. But to appreciate adequately its recent advance and the high hopes that are entertained in connection with it, a comprehensive survey such as that which has just been published by the Financial Post is necessary.

It has been prepared by the mining editor, D. E. Cushing, who not long ago paid a visit to Alberta to look into the oil situation there. He has spent many months in investigating the different fields and the story that he tells, camp by camp and mine by mine, in the volume that he has prepared is of engrossing interest to all who realize how much the expansion of the industry must mean to the Dominion.

Two chapters are devoted to this province. In the first, G. R. Pratt, the government's fuel engineer, tells of our wealth in coal, the scale on which production is being carried on and the effort that is being made to secure wider markets. S. C. Ells. who has spent many years in exploring and mapping the tar sand deposits on the Athabaska River, describes their extent and the industrial possibilities that they offer, as he has done on several occasions to Edmonton audiences. Several illustrations are given of extensive outcrops of the sands.

The other chapter deals with Alberta oil, the exploration for which has, Mr. Cushing states, become a much more serious business than is realized elsewhere in Canada. The aggressive operations in the different areas are referred to in detail and assurance is given to the public that "legitimate drilling and little or no stock-jobbing is going on." The success that has been obtained to date leaves no doubt, in Mr. Cushing's opinion, that good speculative opportunities are open. In the columns of the Post he has gone much further in the expression of his optimism over what the future holds for the industry and an editorial article that appears in the current issue reflects his ideas.

Consider the views, it says, held by many easterners in regard to the oil development going on in Alberta. It is hard to impress on them that the development is a large and serious one and meeting with a good deal of success. One of these days, it will dawn on many that the hunt for oil on the prairies is really a serious one, involving the expenditure of millions and that the east is contributing but big fields, but the fact stands out that results little.

The Alberta oil field is going through the same period of skepticism as practically all to date justify every expenditure that has been made and every claim that has been put forth. It may be possible to fool one or two geologists and petroleum engineers but it would be rather difficult to fool the army of these men now working in the Alberta field. One cannot help but feel that the claim that Canada is on the way to petroleum independence is fully justified by the outlook.

The survey, however, restricts itself almost wholly to the actual results obtained. This is in accordance with the general plan of the volume. The authentic and detailed record of the multitude of enterprises under way with which it deals will prove of the greatest value. and its compiler is to be congratulated on the thoroughness with which he has done his work.

Under the Management of
POWER CORPORATION OF CANADA
LIMITED

Ottawa & Hull Power Co.
Limited

Preferred Stock—Dividend No. 13

A DIVIDEND of One and three quarter per cent (1¾%) on the PREFERRED STOCK OF OTTAWA AND HULL POWER COMPANY LIMITED has been declared for the quarter ending November 30th, 1926, payable December 15th, 1926, to shareholders of record November 30th, 1926.

By order of the Board,
L. C. HASKELL, *Secretary.*

Montreal, October 21, 1926.

Under the Management of
POWER CORPORATION OF CANADA
LIMITED

East Kootenay Power Co.
Limited

Preferred Stock—Dividend No. 10.

A DIVIDEND of one and three quarter per cent (1¾%) on the PREFERRED STOCK of EAST KOOTENAY POWER COMPANY LIMITED has been declared for the quarter ending November 30th, 1926, payable December 15th, 1926, to shareholders of record November 30th, 1926.

By order of the Board,
L. C. HASKELL, *Secretary*

Montreal, October 22, 1926.

To the Shareholders of
Brazilian Traction, Light and Power Company, Limited

The attention of the Board of Directors of Brazilian Traction, Light and Power Company, Limited, has been called to a proposal to the holders of Ordinary Shares of the Brazilian Traction, Light and Power Company, Limited, made by Alfred Loewenstein, on behalf of a new Canadian company, the Hydro-Electric Securities Corporation, offering in exchange for their shares, shares of the new Canadian company, it being stated that such company will have a controlling or important interest in other hydro-electric enterprises not in any way connected with Brazil.

It is the opinion of the Board that any such fusion or alliance of the Brazilian Traction, Light and Power Company, Limited with other companies not connected with Brazil would not only be of no benefit to the Brazilian Traction, Light and Power Company, Limited, but that on the contrary it would have most harmful results for the Brazilian Traction, Light and Power Company, Limited, undertakings and consequently for its shareholders.

The Board feel they would be wanting in their duty towards the shareholders if they should refrain from making a public announcement of their views and of the fact that they will oppose any project such as that above referred to, which, if carried through would apparently result in some kind of alliance or fusion with other companies not connected with Brazil. The Company is gradually emerging from the effect of the conditions produced by the War. There has been a steady improvement in its affairs and the Board believe this will continue, but such result will not only not be hastened by the carrying out of the Loewenstein or other like proposal, but on the contrary, will probably be seriously retarded. Accordingly, the Board advises shareholders not to exchange their shares in accordance with the proposal made or any other proposal along similar lines.

The Board regret that they are compelled to make this announcement and wish to state that Mr. Loewenstein has already been informed of their views and that if the proposal were proceeded with they would oppose it publicly.

Toronto, Canada, 22nd November, 1926.

On behalf of the Board, ALEXANDER MACKENZIE, President.
Brazilian Traction, Light and Power Company, Limited.

NEW COMPETITION MAKES BUSINESS PROBLEMS SHARP

Retailers Compete With Wholesalers in Trade Struggle

OLD LINES UPSET

Even Communities Are Rivals, and Different Countries Are Battlegrounds for Captains of Commerce

By STUART CHASE.

The series of articles in "the Revolution in Merchandising" that ran in The Financial Post a year ago attracted such attention from Canadian manufacturers and business men generally that this article by Stuart Chase in the New York Times is sure to prove of interest.

Enter the new competition. Competition, according to conventional ideas, takes place between businesses in the same horizontal plane, in the industrial flow from natural resource to consumer. Coal mine competed with coal mine, railroad with railroad, soap manufacturer with soap manufacturer, grocery wholesaler with grocery wholesaler, retail shoe store with retail shoe store.

All is changing. The horizontal lines are being disrupted in a hundred places. Competition between dealers in the same line of business continues, of course, but to this ancient warfare have been added all manner of new, turbulent and upsetting elements. Hustling chain stores, house-to-house canvassers, mail order campaigns, selling on the instalment plan, trade association drives, "naborhood" store publicity, resident buyers, "endless chain" operators, home town and regional boosting, foreign trade emergencies—are not only shattering the old concepts of competition, but are upsetting consumer-buying habits, making consumers call for strange products carried on the spearpoint of national advertising and even shifting population.

Retailers' New Competition

Retailers find themselves competing with wholesalers, with jobbers, manufacturers, groups of farmers and vice versa. Once the business man knew who his competitor was, but to-day there is no telling from what hidden corner the blow will come.

The causes of this change lie in the changing current of our economic life. The very large returns to capital during the war and subsequently, together with the unprecedented amount of savings accumulated, have resulted in a substantial excess of industrial plant capacity over normal demand. The amazing growth in the technical arts has provided the machines and organization for turning out goods very much faster than purchasing power, as liberated under the going financial mechanism, can absorb them.

Effect of Machinery

One cotton mill operater is now able to handle more looms than fifty operators could manage in 1870. One garment worker running six rib-cutting machines, replaces twenty-five hand workers. Two men with an electric magnet can unload as much pig-iron as 128 men formerly could unload. One bottle-making machine operator replaces fifty-four handworkers and one cigarette rolling machine tender replaces 100 hand rollers.

These machines and this equipment cost money and represent a high capital investment. Whenever they stand idle the individual business has to bear a heavy burden of overhead expenses — depreciation, insurance, interest, taxes, maintenance, what not. And with purchasing power so often failing it is inevitable that they stand idle a very large fraction of the time.

In industry after industry the ratio of output to capacity averages in the neighborhood of 50 per cent., which means that equipment is idle half the time. There are, for instance, three times as many lumber mills as are needed to cut the annual demand for timber. Follow the current figures for capacity utilized in even such a well-established industry as iron and steel, and note how far capacity exceeds demand.

Now "Distribution" Pressure

Thus the psychological stage is set for what O. H. Cheney, a New York banker, writing recently in The Nation's Business, has called "distributive pressure," the frenzied efforts of business men to find outlets and markets for their products, and so reduce the overhead cost of an idle plant. While it is undoubtedly impossible for all plants to be kept substantially at capacity under the prevailing financial system, each business man, following an old tradition, sees no reason why he should share in the national average of excess capacity.

By all the canons of successful self-help, it is up to him to advertise, break down sales resistance, devise new sales appeals, hustle generally. But the other fellows, most of them, are hustlers, too. And ever faster and more furious grows the game.

It is this pressure which has burst through the usually accepted ideas of competitive economies, turned the whole process upside down, and created the new competition. While the new elements weave and interweave, it is possible to recognize five more or less distinct tendencies.

Competition Between Groups

With vertical competition thrusting in between the old orderly horizontal lines comes competition between manufacturers, wholesalers and retailers in the same industry. Manufacturers are competing more and more with wholesalers by selling direct to the retailer; they compete with the retailer by selling direct to the consumer. Retailers compete with wholesalers by organizing buying associations, and with manufacturers bent on direct selling through the mails, by the "patronize your neighborhood store" campaign. Wholesalers compete with retailers by organizing chain stores. Chain stores and wholesalers compete with manufacturers by organizing their own manufacturing plants.

Going a step further back toward the source of raw materials, dairymen compete with milk companies by forming their own distribution units; raisin growers, fruit growers and tobacco growers compete with old-line jobbers and wholesalers by organizing producers' co-operatives with up-to-date marketing departments, promoting trade names, labels, fancy packing and national advertising.

Creates Merchandise Vacuum

In this uproar distributors may find themselves with excess capacity, thus creating a "merchandising vacuum," which results in a clamor for more goods at a faster turnover. The stream turns and runs uphill. The pulling force to attract goods quickly leads the manufacturer back to his sources of raw material and supplies. He wants to control them; he does control them. And so out of the competitive welter comes what is beginning to be termed the "vertical trust"; the concern that owns the entire chain of processes from the gathering of the raw material, through its manufacturing and assembling stages, straight through to the distribution and sale of the finished product.

Commodities in Competition

Next there is competition between alternative commodities. The man who is sick of paying rent and wants to build a house faces the problem: shall it be of wood, stone, brick or stucco? He begins to inquire into the relative merits of each. Instantly he will be bombarded by the propaganda of trade associations eager to impress him with the outstanding merit of their particular commodity; an associated lumber manufacturers' organization; closely followed by a face brick and a cement association. His roof develops into a struggle among a slate, a cedar shingle, a red tile, a copper and tar association.

Whoever heard in days past of a lumber dealer doing anything else than fight another lumber dealer? Now lumber dealers embrace one another and form a trade association with a ten million dollar fund to make American "lumber-conscious." The cotton men fight the woolen men and the silk men fight both. The oil men fight the coal men and the water-power men attack each.

Distributive pressure has become so strong that it has forced dealers in similar commodities into a unit, organized to attack alternative commodities. Competition among themselves still continues, but even more important is solidarity for the industry in the vastly greater struggle with other industries.

Compete for Consumers

Then comes competition between all industries for the consumer's pocketbook. This is the most recent of the new forces and the most important. It is also the least understood. It is really competition of an industry for as much as it can get of the national income. Purchasing power being limited, it develops upon each industry, even as it devolves upon each manufacturer, to engulf all the purchasing power possible before the supply runs out, and it has been found that in union there is strength.

The combined effects of all meat packers or of all flour millers or of all boot and shoe men will result in a larger slice of purchasing power than if each manufacturer struggled alone. The motive for the trade association with its organized publicity drive becomes even stronger.

This is not lumber against bricks, but lumber against every other industry in the country. Make the consumer lumber conscious, shoe conscious, straw hat conscious, white tooth conscious, silk shirt conscious, hollow tire conscious, aluminum conscious before his bank account runs out. If it is impossible to sell him on this year's wages take a mortgage on next year's wages, and behold!—$5,000,000,000 worth of instalment sales were recorded in 1925.

Boosting Bread Eating

The flour millers have launched an "eat more bread" campaign. Their goal is 220 pounds per capita per annum. Not to be outdone, the meat packers implore us to "eat more meat." Their goal is 179 pounds per capita per annum. The milk men are organized to secure one quart per capita per diem; the butter men are bending their energies to have us equal the Australian average, which is ten pounds a year more than the American average; the cheese makers set their goal at the Swiss level, 22 pounds above the United States consumption.

Instalment selling is a direct result of distributive pressure. It is an attempt to enlarge the public's purchasing proclivity. It gives the industry organized to use the method a lien on purchasing power of the future, thus insuring a slice of next year's national income in advance of other industries.

Even Communities Fight Now

But the new competition has jumped the bounds of separate industries and now involves entire communities. A few years ago a town was a town. Now it is the "livest little burg in the state"; the "fourth largest producer of suspender buttons in the country"; the "home of the Browns Potato Peeler." Signs greet the motorist as he enters the town and wish him farewell as he leaves, asking him to call again. Deadly rivalries develop between one community and its neighbor. Cases of infectious diseases are taboo in the local newspapers. Statistics of the increase in population are as optimistic as they are unreliable.

Nor is this competition confined to towns. States and whole regions pursue it actively with great treasure chests for publicity. Florida does battle with California. North Carolina asserts its difference from its neighbors. New England contends that its ancient prestige is by no means lost.

Out of the confusion have come concrete economic results. Population has actually shifted. Certain communities, together with their land values, go suddenly uphill. Others decline. Local trade booms and collapses. Local merchants go to Europe, or go into bankruptcy.

Finally, competition has leaped national boundaries into frankly recognized international rivalries. This final classification is, of course, an old story. The only reason for mentioning it is the fact that it has become greatly intensified in recent years.

Competing in Foreign Trade

Industrialists in every manufacturing country hope to keep overheating costs down by selling as much as possible of their output abroad. They are on the watch for purchasing power wherever it may show its wallet not only in their own country but in the entire world around. As invention and technical processes improve, the problem of idle plant grows, and the rivalry between industrial nations tends to become more intensive.

In the face of this competition, plans for world peace have, one fears, a difficult future before them. At the present time, due primarily to Europe's dislocation through the war, the United States occupies a commanding position in world trade. But the very fact that purchasing power and wages are now in Europe makes for even greater efforts on the part of European industrialists to keep their plants going by capturing foreign markets. The struggle in the next decade promises to be a bitter one

Newsprint Producers Have Big Market Overseas

From Our Own Correspondent.

MONTREAL.—Holders of newsprint securities will be interested in the position of the Canadian newsprint markets throughout the world. At the present time practically all the Canadian exports of newsprint go to the United States, yet, in the event of any reaction in the newsprint market there, it is worth while remembering that there is a world-wide market into which any surplus production might well go.

The following table shows a few countries which apparently could easily absorb more Canadian newsprint provided the domestic newsprint mills could not find a large enough market south of the border:

Argentine—			
Total Imports 1925	101,836,554 Kilos	Pesos (965c)	9,776,309
From Canada	11,105,264 Kilos	Pesos	1,066,105
Brazil—			
Total Imports, 1924	40,619,378 Kilogs	Milreis (11c)	37,870,536
No Imports from Canada—none since 1920-21.			
New Zealand—			
Toal Imports, 1925	375,498 cwt. (112 lbs.)		$367,876
From Canada	238,223 ditto		227,140
Australia—			
Glazed, 1924-25	103,466 tons (2240 lbs.)		$2,102,958
Non-glazed	22,138 ditto		690,345
From Canada, Glazed	504 tons		11,003
From Canada, non-glazed	210 tons		8,949
South Africa—			
In reels, 1925	182,310 centals		$149,833
Flat	60,170		53,162
From Canada, in reels	127,146		106,911
From Canada, flat	33,032		27,241

Industrial Alcohol Makes Good Progress

From Our Own Correspondent.

MONTREAL.—There have been many rumors regarding increased disbursements to the shareholders of the Canadian Industrial Alcohol Company; those close to the company, while not confirming the rumors of the increased disbursements, admit that the results which "Alcohol" is obtaining are decidedly satisfactory.

Shortly, the province of Ontario is to make the decision whether or not liquor will be sold within the provincial boundaries. At the moment, the province is supposedly bone dry and as a consequence the Canadian Industrial Alcohol liquor sales there are insignificant. Naturally, the only business which it can do in the province is that which is used for medicinal purposes only.

If Ontario should vote wet, it should mean that the Canadian Industrial Alcohol will find there a large market for its output of liquors. The sales of industrial alcohol are also said to be improving.

Howard Smith Subsidiary Produces Soda Pulp Soon

From Our Own Correspondent.

MONTREAL.—Every hope is entertained that the Canadian Cellulose Company will enter production not later than the end of January next. The company is a subsidiary of the Howard Smith Paper Mills, and its plant is located at Cornwall. Actual work on the project commenced on May 5 of this year, and its initial output will consist of 15 tons of soda pulp per day. The plant is designed so that its capacity can be readily increased whenever market conditions justify such an expansion. The preliminary proccesses of manufacturing soda are in a measure similar to those of kraft pulp, but the finished product is used in high-grade writing and bond papers. The parent company owns the control of the subsidiary and it is not anticipated that public financing will be necessary.

Shipping Frozen Blueberries

Frozen blueberries are now being shipped from New Brunswick in quantity to Cleveland and other centres in the United States. So far eight carloads have left Moncton, iced so that the fruit will remain frozen. Two more carloads are about to go forward.

Vancouver Holdings Ltd.
714-15 Board Trade Bldg., Vancouver, B.C.
BRITISH COLUMBIA INVESTMENTS
TIMBER PULP WOOD AREAS MINES

WE place at your service over 25 years of actual business experience in British Columbia and we direct your special attention to inside business property in Vancouver.

HON. H. H. STEVENS,
Managing Director.

W. H. STEVENS,
Local Manager.

NEW ISSUE

$1,400,000

Lake & Rail Warehouse & Elevator Corporation

Lessor of Warehouse, Elevator and Flour Mill to

International Milling Company

6% First Mortgage Sinking Fund Gold Bonds

Series "A"

Dated December 1, 1926. *Due December 1, 1951.*

Principal and half-yearly interest coupons (1 June and 1 December) payable at the holder's option in gold or its equivalent of lawful money of Canada at par at any branch in Canada (Yukon Territory excepted) of the Canadian Bank of Commerce, or in United States gold or lawful money of the United States, at par, at the Agency of the Canadian Bank of Commerce, New York. Interest is payable without deduction for any United States Federal income tax up to 2%. Callable at the option of the company on sixty days' prior notice in whole only at 105 and accrued interest, but callable in part for half-yearly sinking fund requirement only up to and including November 30, 1935, at 103 and accrued interest; from December 1, 1935, up to and including November 30, 1943, at 102 and accrued interest; from December 1, 1943, up to and including November 30, 1951, at 101 and accrued interest. Principal may be registered.

Denominations: $500 and $1,000.

A half-yearly sinking fund, sufficient to redeem the entire issue (Series "A") at maturity is to be provided, the first payment to be made June 1, 1928.

Trustee: Manufacturers & Traders Trust Company, Buffalo, N.Y.

CAPITALIZATION

	AUTHORIZED AND ISSUED
6% First Mortgage Sinking Fund Gold Bonds (Series "A") Now being offered	$1,400,000
" " " " " " " (Series "B") Issued to trustee to provide for additions	600,000
	$2,000,000
Common Stock—no par value	20,000 shares

Summary from letters of J. G. Webster, President of Lake & Rail Warehouse & Elevator Corporation, and Mr. F. A. Bean, Sr., President of International Milling Company, Lessee:

1. PROPERTY—Lake & Rail Warehouse & Elevator Corporation has been incorporated under the laws of the State of New York, and will own, in fee simple, approximately 195,522 square feet of land (together with the benefit of, and subject to, certain rights of way, and the city's zoning ordinance) on the Buffalo Inner Harbor, with a water frontage of about 850 feet, on which land will be built a warehouse, a grain storage and transfer elevator of approximately 1,400,000 bushels capacity, and a flour mill with a daily capacity of about 2,500 barrels; all buildings to be of reinforced concrete construction of the most modern type. A lease of the above property will be made to International Milling Company, a Delaware corporation, with head office at Minneapolis, Minn. The latter company owns and operates either directly or through its Canadian subsidiary, Robin Hood Mills, Limited, mills at the following places: Moose Jaw, Sask.; Calgary, Alta.; New Prague, Blue Earth and Wells, Minn.; Davenport and Sioux City, Iowa, with a total daily capacity of about 13,100 barrels of flour and 1,800 barrels of cereals.

2. LEASE—International Milling Company will lease the elevator, flour mill and approximately two-thirds of the warehouse space for a period of 26 years from the 1st of December, 1926, and will agree to pay all taxes, insurance, repairs, maintenance and other charges, and a rental adequate as to amount and time of payment to pay all interest charges and semi-annual sinking fund requirements, retiring all bonds at or before maturity, and will guarantee completion of the construction of the warehouse, elevator and flour mill. The rental will be payable throughout the term of the lease, irrespective of completion or destruction of the buildings.

3. RESPONSIBILITY OF LESSEE:

ASSETS — International Milling Company (Lessee), according to its balance sheet of August 31st, 1926, certified by Messrs. Peat, Marwick, Mitchell & Company, has total net current assets of $3,302,371.75, and total net assets of $8,021,742.98, after providing for all liabilities other than capital stock.

(Or over 5½ times the amount of the Series "A" bonds)

EARNINGS—The earnings of International Milling Company, as certified by Messrs. Peat, Marwick, Mitchell & Company, have, after depreciation, but before bond interest and profits taxes, averaged for the last fourteen fiscal years ended August 31st, 1926 .... $ 727,811.77

(Or over 6.4 times interest and sinking fund requirements of the Series "A" bonds)

For the 10 fiscal years ended August 31st, 1926, on the same basis .... $ 806,344.89

(Or over 7⅛ times the interest and sinking fund requirements of the Series "A" bonds)

For the year ended August 31st, 1926, on the same basis $1,078,304.48

(Or over 9.6 times interest and sinking fund requirements of the Series "A" bonds)

Substantial additional earnings are expected from the operation of the Buffalo property.

4. PROVISION FOR ADDITIONS—To provide for additional capacity for anticipated increase of business, $600,000 par value of bonds of Series "B" of the same maturity and ranking equally with Series "A," pursuant to the terms of the lease, are to be issued to a trustee to be held by it in trust for and to be delivered to International Milling Company, but only to the extent of 75% of additional expenditure, and then only provided the earnings of International Milling Company, after depreciation (but before deduction of the cash rental payable under the lease hereinbefore mentioned), have averaged at least $375,000 per annum for the two fiscal years next preceding such delivery.

5. SECURITY—The total authorized bonds of both series will be secured by a first closed mortgage on the above lands and the warehouse, elevator and flour mill being erected thereon, including machinery and equipment, and all additions, and will further be secured by the lease and an assignment of the rentals and the benefits and advantages to be derived therefrom. Proceeds of this issue, less expenses, will be deposited with, or to the credit of, Manufacturers & Traders Trust Company, Trustee, to be dealt with and paid out on auditors' certificates of expenditure in accordance with the provisions of the Trust Deed.

We have purchased, and now offer the above bonds when, as and if issued and received by us, subject to approval of legal details by Messrs. Blake, Lash, Anglin & Cassels, Toronto, Messrs. Kingman, Cross, Morley & Cant, Minneapolis, and Messrs. Dudley, Stowe & Sawyer, Buffalo.

PRICE: 100 and accrued interest, yielding 6 %

We recommend these bonds for investment.

The right is reserved to reject any or all applications, and also in any case to award a smaller amount than is applied for, Temporary Bonds or Certificates are expected to be ready for delivery on or about December 6th, 1926.

A. E. AMES & CO.
LIMITED
53 KING STREET WEST
TORONTO

MONTREAL VICTORIA, B.C. VANCOUVER NEW YORK LONDON, ENG.

THE STATEMENTS CONTAINED HEREIN ARE BASED UPON INFORMATION WHICH WE BELIEVE TO BE RELIABLE, ALTHOUGH WE CANNOT GUARANTEE THEIR ACCURACY.

As All of This Issue Has Been Sold, This Advertisement Appears Only as a Matter of Record.

King and Bruce on Empire's Needs for Men and Markets

Addresses of Prime Ministers of Canada and Australia on Economic Problems of Empire, as Delivered at Imperial Conference in London

In H. T. Hunter's article elsewhere in this issue, reference is made to the contrasted speeches of Premier King, of Canada, and Premier Bruce, of Australia, at the Imperial Conference, when economic problems were under discussion. These addresses are reproduced below, only slight abbreviations having been made to meet exacting space demands.

The excellent summing up of the chief trade and population problems of the British Empire, made by Australia's premier, was one of the high lights of the conference.

King, of Canada

"First, as to inter-Imperial trade. Sir Philip Cunliffe-Lister, president of Board of Trade, was able to report that an appreciably larger percentage of Great Britain's exports were being taken by the other parts of the Empire. The same satisfactory position as to total inter-Empire trade is indicated by an analysis of trends in Canada. In the past four years our imports from the British Isles have increased approximately from $117,000,000 to $163,000,000, and from 15.7 per cent. of our total imports to 17.6 per cent. We would wish that British imports formed a larger proportion of our purchases, but in view of increasing competition from other countries, and particularly the advantage which United States exports derive from close proximity and knowledge of Canadian requirements, it is striking to find the share of British exports on the increase.

"I think it will be agreed that but for Canada's extension of preference to Great Britain in 1897, the starting-point of the present intricate inter-Imperial preferential system, and further developments such as the grant in our budget of 1923 of a one-tenth additional tariff preference to British goods entering by Canadian ports, the position would be far from as satisfactory as it is to-day. It may further be of interest to note the very high percentage of manufactured goods in these imports from the British Isles, 87 per cent. in the last fiscal year, or more than half as great again as in the case of imports from the United States, from which we derive a good deal of our raw materials. In the same four years the rate of duty levied on dutiable imports from Britain declined from 24.8 to 22.1 per cent.

Great Britain Our Best Customer

"Great Britain was, last year, our best customer; it has alternated in this position of late years with the United States. Four years ago we exported to Great Britain $300,000,000 worth of Canadian products; last year over $500,000,000. Yet the percentage of our exports taken by Great Britain fell during these years from 40.4 to 39 per cent., a fact which reflects the growing diversity of our export trade and the increasing amounts taken by Continental Europe and Asia. During the past four years our trade with the other members of the British Commonwealth has shown marked expansion in totals and a slighter increase in percentage of our whole export and import trade.

"During the past year two important trade agreements have been negotiated with other members of the Commonwealth. After long endeavor we succeeded in making an agreement with our Australian friends for a very considerable reciprocal exchange of preference. The agreement has had to run the gauntlet of a good deal of criticism in both countries, which is perhaps an indication that it was not one-sided, but we believe it will prove of very distinct advantage both to Australia and to ourselves. More recently we have renewed our trade and steamship service agreement with the British West Indies. I think Mr. Amery, who has kept intimately in touch with this development, will agree with me that Canada entered into this new arrangement, as into the old one, in no haggling spirit, and with a full appreciation of the desirability of rendering still closer the ties between these two North American units of the British Empire. The new agreement has not yet formally gone into effect, and negotiations for the provision of the new steamship services which are contemplated are still under way, but as an earnest of goodwill we have extended the agreement rates to British West Indies produce since April of this year.

Marketing of Empire Produce

"The reports of the Committee on the Marketing of Empire Foodstuffs in Great Britain upon the general situation, and on meat, fruit, and dairy products, are valuable analyses of the present situation and contain many suggestions for improving conditions of which advantage will doubtless soon be taken, most notably in legislation, for the marketing of Empire produce. On the same basis, it should be possible to organize an effective and helpful inquiry into the marketing of other foodstuffs than those already considered and the marketing of other commodities, including mine and forest products, and Canada would have pleasure in co-operating in a further inquiry of this character.

"Reference has also been made to the establishment by the British government of an Empire Marketing Board to administer a grant of £1,000,000 a year. The expenditure of the large sum thus provided, mainly, as has been indicated, in publicity in Britain and in research, particularly on tropical and semi-tropical questions, should prove of unquestioned advantage to Empire production and marketing.

"On our part, I may say that the Canadian government, recognizing the need of taking still further advantage of the great market of the British Isles, is at present considering various methods of providing assistance for the maintenance and extension of our exports to Britain.

"It would, I submit, be a great mistake to limit our consideration to state action. The most striking development in marketing in recent years is the growth of self-help, through producers' co-operative marketing organizations, of which the great western Canadian agricultural co-operative societies, and latterly the wheat pools, are perhaps the most far-reaching and significant."

Premier King discussed at length the question of British films, stating: "I can see no reason for assuming that the present inadequate representation of British and Dominion films will prove permanent."

Bruce, of Australia

Premier Bruce, of Australia, said: "To my mind, and I think to the mind of the majority of the people of Australia, the economic question and the question of promoting inter-Imperial trade is the most important one we have to consider at the present stage in the progress of the Empire."

After touching upon the question of British films, and the desirability of promoting British produced motion pictures, Premier Bruce continued:

"The importance of the economic problem is that the future of the Empire depends upon its solution. Our position in the world, our prestige, our authority in the counsels of the nations, has depended upon our commercial pre-eminence, not upon our armed forces or our military strength."

Premier Bruce here made a plea for maintenance of the British navy.

Populating the Empire

"We have also another very wide issue connected with the promotion of inter-Imperial trade, and that is the populating of the Dominions of the Empire. Unless we can populate and develop those Dominions, I do not think anyone can look forward with any optimism to the future of the British Empire. I would further say that this problem of populating and developing the Dominions, particularly such a great continent as Australia, is not a question we can look to the future to solve; it is a question we have to solve immediately. No one can look at the present condition of Europe, with her great industrial troubles, without recognizing the obvious fact that there is over-population in many of the countries.

"One further point, which is very clear, is that the unity of the Empire and its progress can best be ensured by adding ties of mutual interest to those intangible ties that have always bound us together. It is because I feel strongly about these things and about the paramount importance of the economic question to the Empire and its future that I would desire this morning to deal at some length with the position we have reached, and particularly with regard to the marketing both of Britain's production and of the production of the Dominions."

Britain's Position in Review

He intended first to discuss the position of Britain.

"The whole economic strength of the Empire is vitally dependent upon the position of Britain. Britain contains 65 per cent. of the white population of the Empire; it is the great reservoir of British people; it is to-day carrying the main burden of the defence of the Empire, and we in Australia certainly recognize that our position is safeguarded to-day by the fact that we are inside the British Empire, and can always rely upon the defence of our shores by the British navy. We also realize the position of Britain in regard to her great Colonial Empire, with its 50,000,000 of people. We know the great obligations that Britain is carrying to develop these great countries, and the other burdens that she must bear if the Empire is to exist and make progress. Believing, as we do, that she can carry them only if her commercial prosperity is ensured, the position of Britain appears to us to be the key to the whole question of the future of the Empire and of the development of the different parts of the Empire.

Problem of Markets

"Looking at the position as we can see it to-day, we still believe that the great problem of the Empire is the one which I put into the three words—men, money and markets, but we believe Britain's is almost entirely a problem of markets; that if Britain can solve her problem of markets, then the difficulty she is faced with industrially and commercially to-day must disappear. The reason I suggest for Britain's failure to share to the full extent in the improvement in the world trade is that she is to-day subjected to a tremendous amount of competition. At the 1923 Conference I pointed out that by 1913, the immediate pre-war year, Britain had lost to a great extent her commercial supremacy, and the actual competitive situation to-day is even worse than it was in 1913. America is recognizing that it is necessary for her to build up her overseas market if she is going to maintain her rate of increase of production. During the last four years the value of the export of finished manufactured goods from America has increased by 60 per cent.; that is a fact which we must look at when we are considering the markets for British production. I would like to stress one fact, and that is that if America, which to-day is exporting only 4.1 per cent. of her manufactured machinery, increased that by 5 per cent. to 9.1 per cent., it would mean she would be exporting 60 million pounds' worth of machinery, against 39 million pounds worth which we are exporting in Great Britain. I think that fact is one we have to bear in mind.

"What we are trying to see to-day is where are the markets for Britain in the future, since the development and progress of the Dominions, certainly of Australia, absolutely depend upon the purchasing power of Britain, and that purchasing power can only be ensured if Britain is maintaining her commercial position, if her people are in employment, and if her purchasing power is increasing in relation to the increase of the production that we have to dispose of.

Growth of Competition

"Then there is the position in Europe. There has been a very big expansion in the export trade of most of the manufacturing countries of Europe during the last three years. Germany, which was not on a really competitive basis in 1922, has expanded tremendously, and, to give one example, her export of iron and steel has increased since 1923 by over 100 per cent., and, though her textile trade is not yet re-established, in machinery and metals she is regaining her pre-war position.

"In 1923 Germany was exporting manufactured goods to the extent of 270 millions. In 1925 she exported 326 millions, an increase of 20 per cent. Britain's figures in 1923 were 579 millions, and in 1925 616 millions, an increase of 6.3 per cent. only. The point I would stress is that in the European market all the competing countries are extending their trade and becoming much greater competitors with Britain. It may be said that France, Italy, and Belgium, have depreciated currencies and that that has affected the position, but the same thing cannot be said with regard to Germany, the Netherlands, and Czechoslovakia, in the past three years. Nor can it be explained by saying that Britain, having returned to the gold standard, has placed herself at a disadvantage in competition.

How Position Has Changed

"Taking Europe generally, the position since 1923 has changed in this way: In 1923 Britain, owing to the temporary eclipse of Germany, had a greater share of the market in northern Europe than she had before the war, but, whereas her export trade to Europe in 1923 was £250,000,000, in 1925 it had been reduced to 228 millions, notwithstanding the fact that there had been a considerable expansion in the volume of European trade.

"Not only to show the significance of that position, but also to suggest where the solution lies, I give another figure in regard to Australia herself and her value as a customer of Great Britain. In 1913 four countries—France, Belgium, Spain, and Portugal, with a population of 74,000,000—bought £53,000,000 worth of British goods, against Australia's £34,000,000. In the year ended March 26 last the same four countries bought £60,000,000 worth of British goods, and Australia, with 6,000,000 population, bought the same amount. The increase in the money value of the export to these European countries by Great Britain between those two dates was 14 per cent., and the increase to Australia was 76 per cent. That, possibly, has this ray of hope in it, that it is obvious that the Dominions are a valuable market and a market that, if effectively catered for, can meet the difficulty arising out of the increasing competition in European countries.

Other Markets of World

"Now let me turn to the other markets of the world. China and Japan, great customers of Britain, for the year 1924 together purchased £48,000,000 worth of British goods—somewhat less than Australia, but a very large sum. For the year ending March, 1926, however, they purchased only £31,000,000—half of Australia's purchase and a drop of £17,000,000, or 36 per cent. While the falling off of the trade with China was only 21.6 per cent., that with Japan was 45.6 per cent., which shows that it cannot be explained by the disturbed conditions in China. The South American republics show, possibly, a more satisfactory position, but, if it is analyzed, we find even here cause for concern. The trade in 1923 was: imports from Britain £52,700,000, and from the United States £62,000,000. In 1926 the imports from Britain had gone up to £60,000,000, while the trade with the United States had gone up to £87,000,000—an American increase of 40.3 per cent., as against a British increase of 14.2 per cent.

British Trade With Empire

"The trade with the Empire shows a great increase, but even there I suggest we have to take considerable thought as to what the position in the future is going to be.

"The total trade of the overseas Empire has largely increased between 1913 and 1925-26, but the increase from 37 to 44 per cent. in British exports to the Empire does not mean that Britain has taken her full share of the increased trade of the Empire. Taking America as a country for comparison, the exports of America to the Empire in 1913 were £112,000,000; in 1925 they were £233,000,000. In 1913 the British Empire export was £209,000,000, and in 1925 it had gone up to £310,000,000, so that while it is still substantially greater than America's, the facts are that America increased her trade with the Empire by 108 per cent. and Britain by 48 per cent.

American Sales in Australia

"The figures of the growth of American competition in Australia are very significant, and I believe show one of the ways in which British trade can really be stimulated by action which we can take. Between the years 1921-22 and 1924-25 Britain's share of Australian competitive imports has increased from 52 millions to 68 millions, but over the same period America's increase was from 12 to 23 millions, and for the present year, as far as the figures go, they are further increasing in proportion. Those figures have certainly got to be considered. In Australia, for example, Great Britain has enjoyed a tariff preference which applies to 90 per cent. of the British goods which are coming in, and the value of the preference on the average is about 12.2 per cent. of the value of the goods. There is also a sentimental preference, very much greater than most people realize, which has been operating all the time for the benefit of Great Britain.

"There is only one other angle of this question that I want to say one word about, and that is about the overseas trade with the Dominions. This trade has been less seriously affected by the war than the trade of Great Britain. We are a great distance from the scene of actual operations; we have huge internal resources which are all the time being expanded. We have also to remember that, although the purchasing power of the peoples of the world has diminished, they still must buy those things which are either required for the sustenance of their people or the restoration of their industries—the very foodstuffs and raw materials which we produce. The figures of Dominions trade thus show a great expansion.

"An even more significant point, however, is the direction of the export trade of the Dominions and India. An examination of the figures shows that the tendency has been for an increase in the export trade of the different Dominions to foreign countries and a reduction of the proportion that Great Britain is taking. This is a most undesirable position. If we look forward to inter-Imperial trade and closer relations inside the Empire, then it is unfortunate that the proportion we are taking from Great Britain on a competitive basis should be reduced, while, on the other hand, we are beginning to look more and more to foreign markets for the sale of the things we produce. That, unquestion-

(Continued on page 22)

CANADIANS BLIND TO TRADE PROBLEMS OF BRITISH EMPIRE

(Continued from page 1)

ership, although its shipbuilding industry has been greatly depressed. In spite of all these advantages, no comprehensive plan has been worked out for retaining this market for British industries. This great market is bringing prosperity to all other countries except the British Empire itself.

Germany Has Regained Position

At the Chamber of Shipping luncheon in London, I sat next the British representative of large German shipping interests. I asked him when Germany would regain her proportion of the world shipping. He stated she had already regained it and was showing steady increases.

Dr. David Friday, speaking in New York, is reported in the Times as saying:

"Germany is now paying reparations with ease, is rapidly accumulating capital, and in recent months has begun to report an excess of exports over imports.

"I look for increasingly close business relations between France and Germany, and I believe that ultimately France and Germany will together produce the greater part of the foodstuffs they consume. I do not expect France to develop industrially to any extent, but there will occur increasing purchases of German-manufactured products by the French people."

"Men, Money and Markets"

The big problem the British Empire is facing is an economic problem. Premier Bruce of Australia summed it up in these words: Men, money, markets. These three words, he stated, express all that is needed to develop the latent resources of the Empire, and thus to re-establish the export trade of Great Britain upon such a foundation as shall admit of indefinite expansion.

The word "Men" means migration so far as the Dominions are concerned, and perhaps in a more limited degree in some of the crown colonies; in the remainder of the Empire it should be understood to mean the increase of the standards of living of the native populations of the Empire. "Money" represents financial co-operation between Great Britain and the Dominions for migration and developmental schemes, and the use of British credit to enable backward Crown Colonies to become more important producers and consequently purchasers. "Markets" mean that the peoples of the Empire must give effective preference to Empire goods, either through tariff methods or else by other equally efficient means.

Premier Bruce Tireless Worker

Premier Bruce preached this doctrine at every opportunity, giving it the local application which the occasion required. It was always well received by his audience, and featured by the press in all parts of Great Britain. He was indefatigable and tireless in his efforts to further Empire trade. He had also the assistance of expert economists who were familiar not merely with statistics but the significance of the figures, and who kept him supplied with material which caught the imagination of the people.

Mr. King, on the other hand, paid practically no attention in his public addresses to economic problems but stressed the greatness of the Empire and the loyalty of Canada. He was always on the defensive. He would have better demonstrated the loyalty of Canada by making constructive suggestions for increased trade.

I heard him deliver practically all his public addresses during the first three weeks of the conference. They were all well prepared, rhetorically correct and full of expressions of goodwill, but they were sadly lacking in constructive suggestions for increasing Empire trade. This was also characteristic of his published addresses delivered at the conference itself.

How King and Bruce Differed

At the opening session, Mr. Baldwin outlined in a general way the subjects to be discussed. He stressed Imperial trade and Empire settlement as two of the most important subjects on the agenda.

Mr. King was the first to reply but did not refer at all to either of the questions in which Canada is so vitally interested. Mr. Bruce, on the other hand, who followed him, dealt at length with them and indicated clearly that the conference would be a failure unless it made some progress towards their solution. I quote Mr. Bruce's concluding remarks:

"In regard to these economic questions that face us, I venture to say the whole Empire expects a great deal more and, indeed, is looking to this conference to give a lead. There is a great and deep-set feeling throughout the Empire that something could and should be done and, while it may not be for the governments alone to effect a solution of these problems, it is for governments to give the lead, and there is no better opportunity than a meeting of the Imperial conference, at which the representatives of the whole Empire are present. I would stress to this conference that it is vital to the future of the Empire that the Imperial Conference should live. I believe it does more to cement the Empire than anything else. But if this conference can give no lead to the Empire, nor accomplish anything in regard to the matter that is burning in the minds of the whole of the people of the Empire, because their personal conditions are tragic in many respects, then I think we will strike a blow at the Imperial Conference.

"Unless we can do something to show to the people that on the material side, if you will, we are capable of giving some lead and accomplishing something, it will not be easy to bring from the corners of the Empire (with all the disadvantages and trouble which it involves in being absent for such a length of time) the prime ministers and the representatives of the whole of the Empire to meet in consultation as often as we would desire in the future."

Again Mr. King Fails

During the following week, Sir Cunliffe Lister, president of the Board of Trade, brought before the conference the question of Imperial trade. He spoke at length on the problems which presented themselves but had little or nothing to offer by way of solution. The report was left with the delegates over the week-end and when it again came up for discussion the first of the week, Mr. King replied. Again he failed to make any constructive suggestion. Mr. Bruce followed and made what I believe to be the outstanding address of the whole conference.

This address is reproduced in part in this issue, as it states in a comprehensive and forceful way the importance and the possibilities of Inter-Imperial trade.

He stressed the necessity of Empire settlement and Inter-Imperial trade going hand in hand and indicated clearly that action must be taken now in order to meet the increasing competition from other countries.

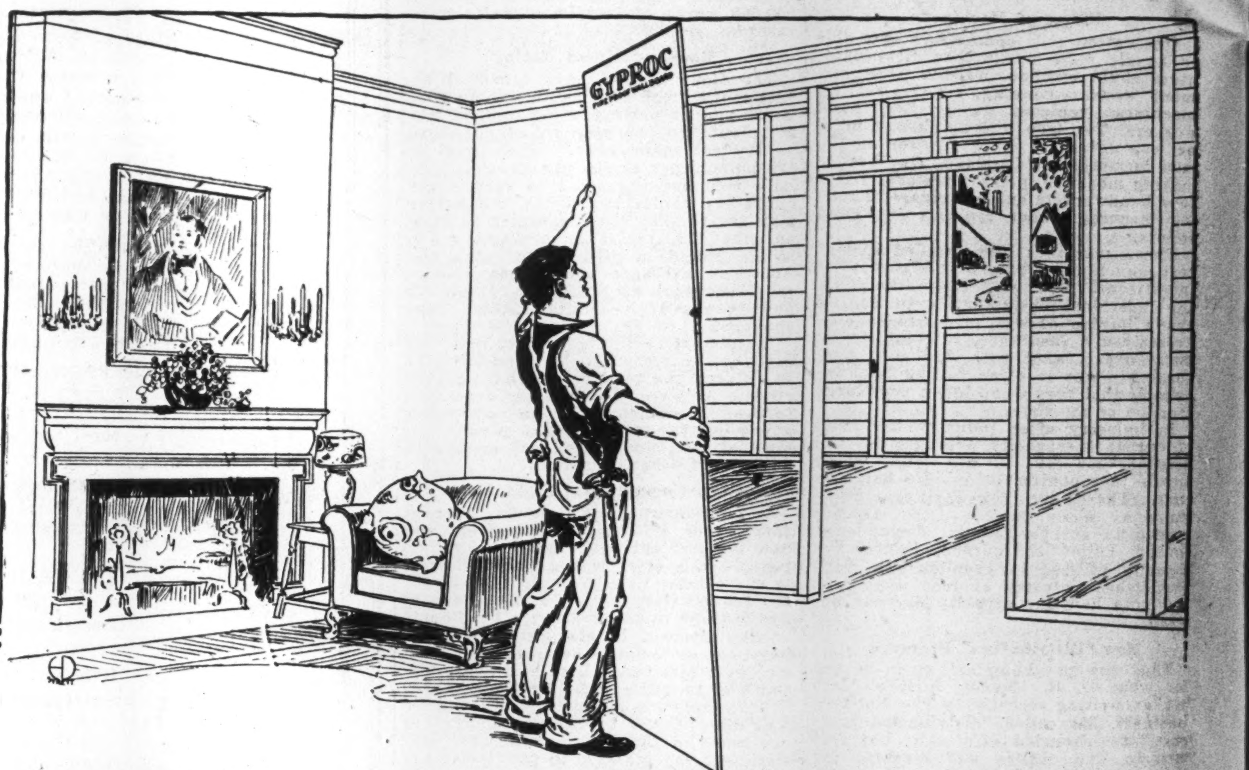
It is true Canada is in a different position from Australia and other parts of the Empire. We take about 17 per cent. of our imports from Great Britain, while Australia and other Dominions take 50 per cent. or more of their imports from Great Britain. This, however, is not our fault, as we give a generous preference to Great Britain and various Dominions.

Empire Offers Big Market

The fact remains, however, the Empire offers us a market of 450,000,000 people. There is a pronounced and growing sentiment in favor of inter-Empire trade but this sentiment has got to be crystalized into action.

The majority of Liberals and Laborites are still free traders, but I found that many of them are eager to encourage inter-Empire trade and are looking for some plan other than putting a tariff on foodstuffs and other necessities. Great Britain has lost markets she will never regain, unemployment is steadily increasing and all parties are being driven to the conclusion that the only hope for prosperity in Great Britain lies in Empire settlement coupled with inter-Empire trade. Hon. G. H. Thomas, the Labor leader, told me the Labor party would support some form of preference other than a tariff, and if the present government did not initiate something along this line the Labor party would do so when they came into power.

The British public are therefore in a receptive mood, and it is regrettable that Mr. King did not, in his public addresses, lay more stress on the mutual advantages of some policy which would encourage Empire settlement and inter-Empire trade. Canada has much to gain from such a policy. Foreign countries are all raising their tariffs and developing their home market. What other line of development is open to us if not through inter-Imperial trade?



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ALBERTA IN FUSS OVER NEW SCHEME TO RUN E.D. & B.C.

Southern Alberta Thinks It Loses Out Under Arrangement

RATE DISCRIMINATION

This is Charged by Calgary Shippers, Who Object to Contract With Canadian National

From Our Own Correspondent.

CALGARY.—The Board of Railway Commissioners are to have under their consideration a somewhat remarkable case which is causing widespread interest in Alberta.

The situation has arisen in connection with the transfer to the Alberta government of the railways of Northern Alberta known as the Edmonton, Dunvegan and British Columbia Railway, which has been under the leased management of the Canadian Pacific Railway since 1920.

For some time past it has been common knowledge that the Alberta Farmer government had the intention of putting certain obstacles in the way that would, per se, make it an easy matter for the government to take over the line. "If the Canadian Pacific can make a profit there is no reason to believe that we can't," was the sentiment expressed by a cabinet minister to The Financial Post some time before the contract with the Canadian Pacific expired.

Southern Alberta Objects

The very first action of the government, however, in seeking to operate the E. D. & B. C., has raised a storm of protest in Central and Southern Alberta.

This has been brought about by the fact that an agreement has been arrived at between the government of Alberta and Canadian National Railways whereby the latter will handle the traffic of the E. D. & B. C., and this is believed here to be to the detriment of the Canadian Pacific Railway. In other words, points not on the Canadian National, will have to pay a two-line rate to and from points on the road that taps the Peace River country. Further, the general understanding is that all traffic on the E. D. & B. C. railway will be turned over to the Canadian National Railways and that the Canadian Pacific Railway will not have any working arrangement with the E. D. & B. C.

It has been the universal practice that the small railways operated independently, open their lines to, or make connections with, trunk line railways, and establish through rates to and from all points, and, as a matter of fact, that practice was followed by the Alberta and Great Waterways line, the other railway owned by the provincial government.

Turn Business to C.N.R.

Now it would appear that the government intends to operate the E. D. & B. C. as an independent line but will turn all business over to the Canadian National Railways.

From a careful survey made by the Calgary Board of Trade it is estimated that Southern Alberta shippers at points not served by the Canadian National Railways will be forced to pay a premium of approximately 25 per cent. on freight to points on the E. D. & B. C. under the new arrangement entered into between the Alberta Government and the C.N.R.

Here are a few examples: The present third class rate from Medicine Hat to Grande Prairie is $1.38. Under the new rate it will be $1.75, and increase of 26 per cent. The present third class rate from Lethbridge to Grande Prairie is $1.34. Under the new rate it will be $1.67, an increase of 25 per cent. Oil from Coutts under the old rate was 95 cents per 100 lbs., under the new rate it will be $1.21, and sugar from Raymond which formerly had a rate of $1.11, will now receive a hoist to $1.18.

These instances could of course be multiplied ad infinitum.

Situation is Not Parallel

Hon. Vernon Smith, provincial minister of railways, who is responsible for the abrogation of the freight tariff arrangements between the E. D. & B. C. Railway and the Canadian Pacific, explains the situation in this way: "Points on the C. N. R. have hitherto been subject to a two-line rate, and now things are reversed, and C.P.R. points are so affected."

But Calgary believes the two positions are not parallel. It is well-known that when the Canadian Pacific operated the Edmonton-Dunvegan line, it did so under lease. The E. D. & B. C. was in all practical ways a part of the Canadian Pacific system. Naturally traffic originating on it was dealt with the same as traffic originating on any other section of the Canadian Pacific.

The provincial government, however, is now operating the northern railroad. It is no longer a part of either of the national trunk lines and operation of it by the government to the disadvantage of one part of the province is objected to here in the South.

Thornton Says Up to Government

Sir Henry Thornton, president of the Canadian National, when in Calgary the other day, placed the responsibility for the terms of the new arrangement on the government, and added this significant statement: "I dare say that the provincial government is not anxious that any part of the province should be discriminated against."

Intense interest has been aroused over the matter in central and southern Alberta, and the whole situation has been placed before the Board of Railway Commissioners. It is not expected, however, that the latter will be in a position to deal with the question until the new tariffs have been duly filed. Meantime the discriminatory rates have been put into operation.

When Plea at Home Is for Capital; Why Big Foreign Bond Sales?

Bankers and Bond Men Discuss Seeming Anomaly of Flow of Canadian Capital to Nations All Over Globe

Why are Canadians not good poker players when "the pot" is the industrial development of their own country?

Why is it that men who have closely studied the situation estimate that the amount of money which Canadians invested in foreign bonds in 1925, was equal to the amount sent into this country by outsiders for the purchase of Canadian bonds?

Why is it that in the past ten months of 1926 one moderate-sized firm alone sold over $2,000,000 worth of purely foreign bonds to Canadian investors?

What is wrong with this picture when Great Britain, the United States, and other countries are wagering upwards of $5,000,000,000 on Canada's future, and yet Canadians, "sitting in" at the head of the nation's financial table are keeping back anywhere from $50,000,000 to $100,000,000 of money to invest on the bond issues of other countries?

In an attempt to analyze the situation, The Financial Post, discussed this problem with men who are closely in touch with the trend of financial affairs in Canada and whose opinions should throw much light upon the very important problem.

Not Gambling Abroad

In the first place it should be said that the outstanding change that has taken place in Canadian foreign investments since the war, is in regard to the kind of securities that are being purchased. Previous to 1914, the major share of Canada's foreign investment was in stocks—both preferred and common — of foreign corporations. Her investments then were gambles. Canada was playing a small, though real, part, alongside the British and American investor who was gambling on the future of South America and other similar countries. To-day, however, the situation has changed and it is bonds that are being bought by the Canadian investing public. Canadians are investing abroad but are not really gambling abroad. Just as in Canada, the tendency has been to purchase "safety-first" investments, the tendency in foreign investing is the better grade issues.

Canadians, apparently, are doing little forward looking speculation, either at home or abroad. Most of the major developments under way in Canada to-day are the product of American ideas and capital. This, with all due respect to the few outstanding exceptions.

Called Merely Passing Phase

In some circles, this movement towards foreign bonds is considered to be merely a passing phase in the financial cycle and the opinion is given that investments of this type are largely of a temporary nature. The capital going abroad seeks three things; high interest yield, possibilities of an early profit and diversification.

Undoubtedly, the offerings that have recently been made, and which have found a ready market in Canada, have been bonds which bear a very high rate of interest.

And there has been a remarkable increase in the capital value of many bonds, particularly those offered from Germany. Last January a $25,000,000 issue of Rheinelbe Union was made at 94 to yield over 7.55 per cent. To-day, the same bonds are being quoted on the market at 114. Thus many shrewd investors can "play safe" with their money, earn a good rate of interest, and sell their holdings at a very nice profit, after a year or two.

There has been a steady increase in recent years of bond investors who might be called "traders." They are ready to take full advantage of every opportunity as it arises and they have been attracted by the foreign bond opportunities. Money is invariably fluid and (other things being equal) will flow wherever it can earn the greatest return. At the present moment the yield on foreign bonds is so attractive as to interest even fairly conservative investors.

Sell to Avoid Taxation

The opinion is also expressed that no small part of the outward flow of Canadian capital is due to the desire on the part of certain interests to avoid the present heavy taxation which must be borne both by investors and by corporations in Canada. Those investors who have a more or less elastic conscience often omit to include foreign bond income from their statements, while a much larger class of investors, who know that capital appreciation in securities is not taxable, see an opportunity to increase their capital holdings without having to share their good fortune with the government.

Estimates vary as to the extent of this movement of Canadian capital to other countries. The opinion of those who are actually selling the bonds to the Canadian public, strongly upholds the view that an enormous amount of Canadian capital has been invested in foreign bonds in the last two years.

In direct contrast to the men who are actively engaged in the business, the general consensus of banking opinion seems to be that this outward flow of capital is a mere drop in the bucket.

With large sums of money pouring into this country it is considered inevitable that there should be some movement in the other direction.

Laziness Among Canadians

One prominent business man attributed this to sheer laziness and apathy on the part of Canadian investors. "When a man has only a few dollars laid by," he said, "he carefully invests them and anxiously watches the affairs and management of the company that is entrusted with his small capital. Unfortunately, when a man reaches the place where he can live comfortably, and still have a good surplus of income he becomes hopelessly lazy and prefers to take his bond dealer's advice regarding some safe form of investment such as that now being offered by foreign bonds. It is a most regrettable thing that so many Canadians prefer to invest in foreign securities, bought merely upon a broker's recommendation, instead of interesting themselves in some of the great Canadian industries that are in need of development."

An outstanding Canadian, both financially and commercially, expressed himself by saying: "There is a great constructive picture to be painted by those who are worthy of Canada's heritage. The future of this country is almost unbelievable, even to those of us who have seen at first hand her potentialities. To think of large sums of money being invested by Canadians outside their own country is to utterly ignore the vast uncovered wealth of the dominion."

"There is no lack of faith in the ultimate future of Canada, but in the meantime there ought to be some practical poker playing on the part of Canadian investors," said a bank general manager. "Foreign, and especially American capital will always be welcomed in Canada, but why should not Canada be 'sitting in' for all she is worth in this greatest of all games —the development of Canada."

Will Trade Bonds Back

The sales manager of one Canadian bond house, which has sold many foreign bond issues to its clients, states that every bond is sold by its house with a mental reservation that may or may not be expressed to the client. That reservation relates not to the safety of the bond but to the period the client will be expected to hold it.

"At the moment foreign bonds offer such investment attractions that we cannot refuse to sell them to our clients. They are the outstanding investment opportunity now being offered. Our duty is first of all to our clients and part of that duty is finding them good, profitable investments, and so we sell them foreign bonds.

"But the situation will change in time. Foreign bonds will likely continue their upward swing and our clients will have good profits on them just as many of our clients who bought them a year or so ago have made big profits to date. On the other hand, Canadian enterprises will be requiring more capital. The time is coming when investment in Canadian corporations will be so attractive that they will offer the investor better opportunities than foreign bonds. And when that time comes we will trade them out of their foreign bonds and put them into good Canadian issues. It is, with us, a temporary handling of the situation in the best interests of our clients and we see no permanent danger in the large purchases of foreign bonds."

Manitoba and Sugar Beets

Exhaustive tests on the growing of sugar beets in Manitoba indicate quite definitely that practically all the factors entering into the sugar beet industry are well satisfied in Manitoba. This is particularly true with respect to labor supply, which is generally recognized as the most important factor in the sugar beet industry. There are, in certain sections of the province, about 75,000 persons who have emigrated from countries in eastern Europe, most of whom, if not actually experienced in the growing of sugar beets, are accustomed to the intensive work that the cultivation of the beets requires.

Look Into British Columbia

We invite correspondence from those who either have Western investments at this time or who would know more of British Columbia with an idea of investment here.

Conditions here are prosperous and getting better. There are many sound opportunities that conservative investors find profitable and safe.

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MANITOBA STONE SENT EAST FOR MONTREAL USE

Eaton Store and Chateau Apartment of This Material

Considerable attention has been paid lately in the East to two new additions to Montreal's rapidly growing list of fine structures. First, the rapid construction of the annex to Eaton's store, which was built in extraordinarily quick time, and the Chateau Apartment building, which, architecturally, is one of the finest edifices in the Dominion.

It is not generally known that domestic stone from Manitoba was used in the construction of these buildings, and in this connection G. G. Ommanney, in charge of the Development Branch of the Department of Colonization and Development of the Canadian Pacific Railway draws attention to the greater use of Canadian stone in preference to foreign importations during the past few years.

"We have been prone to overlook our own raw materials," said Mr. Ommanney, "but the results attained in the use of Western stone in the recent construction of large apartments, office, public and commercial buildings, both from an architectural and construction viewpoint, have forcibly brought home to Canadian architects and builders that in Canada we have a variety of building stone and in sufficient quantities to supply the needs of the Dominion for many years to come. This is evidenced by the fact that in the construction of the above mentioned buildings, as well as the Parliament buildings at Regina and Winnipeg, the law courts at Winnipeg and other structures in Winnipeg, Fort William, Sault Ste, Marie, Toronto and Quebec, Manitoba stone has been utilized with most satisfactory results."

Quarries Close to Winnipeg

The quarries from which this stone is being shipped are situated about thirty miles northeast of Winnipeg near the stations of Garson and Tyndall on the Lac du Bonnet Branch of the Canadian Pacific Railway. At the chief centre, near Garson, three large quarries are in operation, and a number of smaller ones or undeveloped prospects occur in the immediate neighborhood. This is one of the most important sources of building stone in the Western Provinces. To the trade the stone is known as Garson or Tyndall stone and at more distant points it is sometimes called Winnipeg stone. It is a soft limestone with a characteristic mottling in darker colors. Two types are recognized—a buff variety and a blue variety. Both can be quarried in large blocks and are capable of being dressed, carved with ease, and can be used for external and internal work.

Herbert Gates Vice-President Canada Trust Company

Herbert E. Gates, London, Ont., director of the Huron & Erie Mortgage Corporation and the Canada Trust Co. was elected vice-president of the latter company at this week's meeting of the board. Mr. Gates for many years was manager for Western Ontario of the Canada Life Assurance Co.

The prominent post he now occupies with the Canada Trust Co. was previously held by the late George T. Brown, of London.

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MAY SELL PACIFIC GREAT EASTERN RY. TO BRITISH GROUP

British Columbia Has Fair Chance to Dispose of White Elephant

WOULD COMPLETE LINE

Terminals at Vancouver Extension to Prince George Part of New Interests' Programme

From Our Own Correspondent.

VANCOUVER.—A definite proposal for the sale of the Pacific Great Eastern Railway to British interests may be placed before the provincial legislature early next year. If the deal goes through, it will represent the biggest thing of its kind in which Old Country capital is interested in British Columbia.

For years the government has been trying to dispose of the P.G.E., which has already cost the province well over $60,000,000. Legislation was passed last year, authorizing the offer of a huge land subsidy in the Peace River country to anyone who would take over the road and extend it north of Prince George, and since then there have been reports of several private groups negotiating for the line, including the two Canadian transcontinental railroad systems and a Portland, Ore., syndicate.

Now May Sell to Britain

Recent developments, brought on somewhat tragically through the death of Sir James Szlumper in England, indicate that the government probably has the best prospect of selling the road not to Canadian or American interests but to capitalists in Great Britain.

Since the death of Sir James Szlumper, Premier John Oliver has revealed that F. A. Pauline, the province's agent-general in London, placed the P.G.E. proposition before Sir James and associates, believing that this man, one of Britain's outstanding railway magnates, would be interested. Negotiations had proceeded to the point where Sir James had sent out engineers to make an investigation and was planning to make a personal visit over the road himself in company with A. D. Swan, Montreal engineer, who represented him in Canada. According to Oliver, the death of the British railroad man will not seriously affect the situation, although it may mean some delay.

Government to Be In It

Mr. Swan states that if the deal is put through the British government will probably have a hand in it financially and that the project would involve the building of terminals for the railway in Vancouver, extension of the line south from Squamish and north from Prince George into the Peace River country.

Meanwhile the provincial government is preparing to go ahead with necessary replacements and repairs costing upwards of $3,000,000 and in view of that essential expenditure it is not likely to put before the legislature at its next session any proposal for extensions. It does hope, however, to be able to submit a proposition for sale of the road and in that event the matter will be easily the most important issue before the house.

NON-METALLIC MINERALS ARE NOW BEING USED

Local Industries Are Springing Up in Western Canada

The marketing of non-metallic minerals in the West has always been difficult, due to the restricted market, and it is only in later years with increase in production of various articles, that it has been found possible for the local manufacturers to give consideration to the utilization of such materials as are available. At Melbourne, Manitoba, there is a deposit of moulding sand which is now being shipped to Winnipeg, Calgary, British Columbia and other points, and used in foundries, machine shops, etc. The red ochre deposits to be found at Castle Mountain, Alta., are being used to some extent by local paint factories. The soapstone deposits at Eagle Lake near Dryden are being mined, and the stone used by the paper and pulp mills. Silica sand found in Lake Winnipeg in large quantities is being developed for use in glass and other factories; while the talc deposits in British Columbia near North Bend are in all probability to be re-opened and will find an export market as well as taking care of some part of the Western domestic requirements.

The Sodium Sulphate Lake of Saskatchewan, other than the lake south of Moose Jaw, which shows incrceased activities and is pulling out a larger tonnage, have not shown any new developments awaiting prospects for enlargement of markets as well as possibly more economic methods of mining. The Sodium Sulphate lakes are many and the tonnage in aggregate large, and no doubt a time will come when the demand will enable greater developments of the Western resource.

64,000 Autos in Province

The number of autos licensed in Alberta for 1926, totalled 64,000 to the first of November, according to figures given by the Deputy Provincial Secretary, E. Trowbridge. This adds 11,000 to the total of last year.

New York Bankers Turn Eyes North and South

Canada and South America Two Great Fields Where They Will Pour Investment Funds

By S. J. ZACKS,
Staff Representative, The Financial Post.

NEW YORK.—The eyes of American investment bankers have turned very definitely northward and southward. During the past few years United States has been banker for the whole world and has done a very considerable portion of the whole world's financing. To-day, the situation changes Canada and South America, it appears, will become very prominent borrowers at New York.

The devastated and war impoverished European countries one by one came to the United States for long term stabilization and restoration loans. New York is said to be earnestly endeavoring now to serve the Canadian and South American financial needs. And before the war the United States was a debtor nation! European countries, principally England, Holland, France and Germany, financed Canada, United States and South America, etc. To-day, after twelve industrious years, the United States of America ranks as the chief money lending nation and New York the leading money market of the world, supplanting London. The outward flow of capital from Great Britain has dwindled steadily, falling from $622,000,000 to $592,000,000 in 1924 and $425,000,000 in 1925, while the capital flow from the United States has gone up $417,000,000 in 1923 to $909,000,000 in 1924 and $1,010,000,000 in 1925.

Now Invest $11,000,000,000 Abroad

The lending capacity of the United States is undisputable. Witness the United States Department of Commerc figures of foreign securities offered in the United States for the year ending July, 1926, which totalled $1,381,691,000, while total United Sates foreign holdings are totaled at $11,000,000,000, compared to a United States net indebtedness of $2,500,000,000 in 1914.

Few of us realize the many problems involved in such a transformation. A nation does not change over night from the position of borrower to lender without leaving its mark upon the minds of the people. Consider only the technical side of it,—to build up an equipment capable of handling the government and industrial borrowings of the world is a task comprehensive and far reaching. It took London generations to become established as the money market of the world. Economists twelve years ago predicted that it would take years before New York could develop the technique and equipment necessary to become the chief financial centre of the world. In 1914 there was no market in New York for financial credits, for investment securities, for foreign government obligations. America has been quick in learning, —the American public,—a nation hitherto unaccustomed in the art of lending, has in a comparatively short space of time come into its own as a sophisticated and keen lending people. What strikes one as one comes more and more in contact with leaders of finance, as well as with the rank and file of the American investment houses is that the personnel of the investment banking business is not greatly different from that of any other industry. I suppose the youth of the industry is in part responsible. There is nothing mysterious about a bond man. His career, like so many others, is quite accidental. In the United States he is not born into the bond business, nor is he educated as a bond man. The work in the business has become quite departmentalized and highly specialized. The bond salesman of course has come to be recognized as the American college graduate — that happens to be one of the superficial fringes of the business.

To Maintain Foreign Markets

United States business men and bankers realize that United States will maintain her prosperity and develop new markets if they can send their money out. The United States is more than a self-sustaining nation but as a matter of fact as a creditor nation she should have an import surplus. Furthermore, her production becomes constantly more scientific and at a lower cost and with the rigid enforcement of the American immigration laws, domestic population is fairly stagnant. Instalment buying has helped to raise the level of domestic purchasing power. Still, foreign markets must be developed to take care of American surplus production, otherwise there would be the danger of over-production. The proceeds of a long term investment are usually spent in the lending country. The United States bankers, for this reason, have been very desirous of extending this type of loan to restore European countries.

The situation to-day, however, is fast changing. Europe is being quickly restored, Government guaranteed stabilization loans grow fewer and there will probably come to be an increasing percentage of European industrial loans, but even these have been thinning out as far as New York is concerned. A few weeks ago one of Morgan's men—Leffingwell—at the investment bankers' convention in Quebec intimated that the day was not far off when Europe would begin taking care of itself. Confidence in home government and currencies is bringing back the capital that fled away.

Warned Against Borrowing

In Germany, Dr. Schacht, president of the Reichs Bank sent out a warning to German industrialists against borrowing in America. Germany's plant and equipment is in good shape but industry's mobilization and liquid capital are seriously impoverished and German industrialists have become partial to the liquid type of borrowing.

The penalty, however, of an American invasion of capital into Germany for this purpose would be felt when Germany would have to send back the interest or dividends. Germany's present position as a debtor nation requires an export surplus, which means that her cost of production must be lower than those of her competitors. The rate of interest enters into cost of production and Germany's industry cannot afford to pay the higher rates demanded in America.

Definitely In Field Now

Come what may to European financing, America is definitely in the field as far as Canada and South America are concerned,—a field which England and France developed before the war. Originating groups consisting of United States banks and trust companies have their representatives in South America and Canada scouring the land for new issues. And these hunting grounds promise to be very much in evidence within the next ten years, for they have much stock to offer—that is there is room for development in both Canada and South America. One firm in New York told me they were in close touch with three live issues in Colombia.

Bought Three Million Chile's

Canadian interest in South America is very substantial. It will surprise many to learn that Canada subscribed to no less than $3,000,000 of the recent Chile issue. That is just one recent issue. Brazilian and Argentine issues, too, have been very popular with Canadians. Americans wonder why we send away our money when the field for investment appears so fertile in Canada. The answer would probably be found in the fact that Canadians have been buying for diversification. Geographical distribution undoubtedly adds strength to diversification. Second, many of our institutions are interested in South America and have confidence in its future. The crying need of South America is for more railroads. Costs of transportation are high, means of transport are lacking and bad. So long as American banking houses are keenly searching for new outlets for the huge American stores of funds available there is ample reason to believe that South America will undergo a tremendous development. It will be interesting to watch how far Canada will go into South America.

South America is not the only place in the world which is proving attractive to American bankers, however. Daily, the big institutions are sending representatives to Canada. One banker told me that he thought the century belonged to Canada and that at least $2,500,000,000 of American money will flow into Canada within ten years. Cheap power will bring industry to Canada. It is becoming recognized that Canada is a safe place to invest money. Her population is settled, conservative and happy. The relationship between capital and labor is very amicable. With a strong government in power, with lower taxation a possibility, and with a healthy, vigorous immigration policy, Canada's natural resources should undergo rapid development. That feeling prevails in New York today among the bankers.

ALBERTA TAR SANDS MAY BE OIL SUPPLY

One Estimate of Oil Recovery from Sands is 300,000 Barrels Per Acre

It is not at present determinable whether the Empire's storehouse of oil will be found in the bituminous sands of the Athabasca territory, within the province of Alberta. It has not been possible, so far, to accurately state the area under which the sands are to be found, but government reports disclose the fact that along the Athabasca River, and its principal tributaries, outcroppings of the sand extend for a distance of more than 220 miles. Undoubtedly the value of the oil content would vary considerably, and in some cases, the overburden might be too heavy to economically treat.

Estimates of oil production, are, of course, impossible of accuracy, although it has been suggested that in sand beds of a depth of 150 ft., there is a possible recovery of 300,000 barrels per acre. A good deal of development experimental work has been done over a period of years by local and outside people, but to-day it is apparent that both British and American capital is taking a greater interest in the potential possibilities of these oil areas, and engineers from the Old Country and the United States are being sent out to make exhaustive reports on these matters.

Map Kamloops Area

An area of about 400 square miles in the interior plateau of British Columbia in the vicinity of Kamloops is shown upon a new map sheet just issued by the Topographical Survey, Department of the Interior. The sheet is known as the Kamloops sheet of the National Topographic series and includes the area between latitudes 50° 30′ and 50° 45′ and longitudes 120° 00′ and 120° 30′. It is issued on the scale of one mile to the inch, and was compiled from surveys by the above named organization during the past two years, together with information supplied by the Surveys Branch, Department of Lands, British Columbia, and by the Geological Survey of Canada.

Winnipeg Planning for Industrial Development

By MAYOR R. N. WEBB.

We are working in this city for industrial development. We want to make this city a great industrial centre. We are going to make Winnipeg a great tourist and convention centre. We have now started, and we have proved that the efforts put forth were worth while. We are going to grow sugar beets, and we are going to have a first-class factory. Then, we are going to have a binder twine industry. We are going to manufacture pulp and paper whether you like it or not, and we are going to have more than one plant, too. We are going to manufacture shoes, because the raw material is near at hand. We are going to help Toronto, Montreal, Vancouver, Kitchener, Hamilton and other cities, for our prosperity will only increase their prosperity. If it were not for us in the west, the east would not be able to exist very long. We want something done in Winnipeg along the same lines as is done in the east. There is nothing that will contribute more to general prosperity than further development in the west.

Avoiding Dull Periods in Western Building

By S. A. CUDMORE, B.A.,
Editor, Canada Year Book.

CONSTRUCTION is the most conspicuous example of a great industry carried on in almost complete dependence on a local demand. The building industry is not only the most widespread in its operations; it is one which expands most rapidly in good times, when it attracts great numbers of general and casual workmen. This characteristic explains the high rate of unemployment from which the industry periodically suffers. Again, apart from the effect of cyclical fluctuation of general business conditions, the construction industry is highly seasonal. In the winter there is a serious contraction, especially in outside operations, while in the other seasons the contractors employ a much larger number of men, casually engaged, than can be retained throughout the year. A considerable portion of the men are in no sense skilled artisans and the supply of unskilled men is generally in excess of the demand. Moreover, conditions in the industry are being transformed on account of the increasing substitution of reinforced concrete for wood and brick construction.

Relation of Industry

Statistics showing activity in construction are of particular interest both to those engaged in the industry itself and to those concerned with the supplying of its raw materials, such as lumber, steel, cement, paint, glass and hardware. All of these latter industries are prosperous when the construction industry is active, and depressed when it is at a standstill; again, the effects of their activity and depression are felt throughout the whole field of industry, so that the current condition in the construction industry reacts powerfully upon the whole economic life of the nation. Thus, in the period between 1909 and 1913, construction, largely financed with borrowed money, contributed in large measure to produce the "boom" of those years.

During the war period the industry was at a low ebb, except for the construction of munition plants, but after the war the housing shortage was a serious problem, and considerable building was undertaken in spite of the high cost of materials and of skilled labor. The urgent requirements due to the practical suspension of the industry during the war have now been fully met and the decline in the value of contracts awarded in 1923 and 1924 would appear to be a normal development.

Stimulation Periods

The growing recognition of the importance of the construction industry in the business cycle has led in recent years to the proposal that, since construction is largely carried on by public authorities, it should be stimulated by these authorities in periods of depression and suspended in "boom" periods, so as to contribute toward that stabilization of industrial conditions and of employment which is considered desirable. Thus, after the armistice, when a period of depression was apprehended, the shipbuilding programme of the Dominion government provided employment for many thrown out of work by the stoppage of the munitions industry. Similarly, in the depression of 1921 and 1922, much employment was provided by the carrying into effect of the "good roads" programmes of the provincial governments of Ontario and Quebec.

Chemical Industries Important in Manitoba

Of the 457 plants in Canada, all producing chemical or allied products, 25 are located in Manitoba and 10 in Alberta and Saskatchewan. The production of Manitoba plants in 1924 totalled $4,414,528.

Chief among the Manitoba plants represented in the chemical industry are four manufacturers of paints, pigments and varnishes; three manufacturers of medicines and pharmaceutical products; two making coal tar products and four making compressed gases.

The six Manitoba plants manufacturing medicinal and pharmaceutical preparations employ $2,533,955 of capital and had in 1924 an output of $1,537,100. These industries paid out in wages and salaries the sum of $134,638.

In the paint, pigments and varnish industry, the four Manitoba plants employ $887,766 of capital and have an output of $1,538,943. The payroll of these plants in 1924 was $209,978.

There is $1,181,682 invested in the manufacture of soaps, washing compounds and toilet preparations in Manitoba. The output of these plants in 1924 was $838,114.

Would Settle Maritimes

Charles Vincent Sale, London governor of the Hudson's Bay Co. Overseas Settlement, Limited, has asked for an extensive survey of the settlement prospects of the Maritime Provinces, particularly in reference to vacant farms, their character, nature of soil, productivity, class of agriculture they would serve, prices at which they may be secured, opportunities for markets, and all other information to enable the prospective settler with capital to know where he stands.

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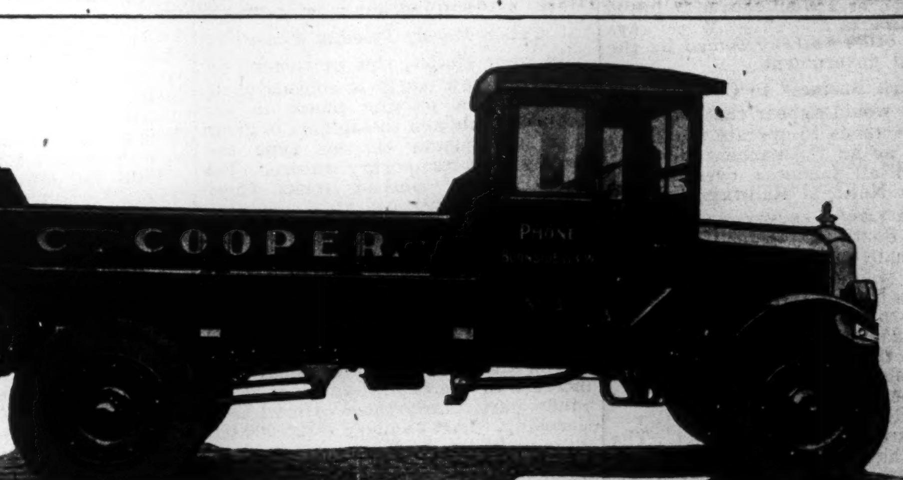

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Operating Public Utility Companies More Stable Than Holding Companies

The importance of public utility stocks has brought them into the forefront of the securities market where many years ago they were wholly secondary in interest to the bond issues of their corporations. The upward trend in utility earnings after the armistice, and the development on an unprecedented scale of the public utility holding company, were the two important factors promoting this development.

The investor had to learn a new technique for valuing these stocks since the old tests of investment merit could not apply to the utilities as they applied to railroad and industrial stocks. But the popularity of the utilities is so recent as compared with that of industrials that the majority of intelligent investors still do not move as freely among these securities as they should, says the Magazine of Wall Street.

Perhaps the reason for this hesitancy is the history of the utilities many years back. At the turn of the century they were the targets of all the radicals of the country. The local traction or gas company was generally referred to as the "Octopus." It was supposed to be a centre of public corruption and an enslaver of the people. These melodramatic assaults led to two results, one good and the other bad. The bad result was the consistent starvation of the utilities by unfair rate laws. The constructive step consisted of establishing commissions to regulate these corporations.

Contrary to the expectations of those who helped establish regulation and supervision, the public utility company eventually won the confidence of these commissions by rigorous economic logic. Regulation, initiated as a form of enmity, turned into the greatest protection the utility corporations could possibly have.

A reasonable rate of return and just valuations became the order of the day. An epoch of declining costs, and, in the case of electricity, of declining rates, also helped the popularity of the utilities as investments. The net result has been that the investor finds a large group of investments among the utilities superior to most industrials, and that they are on a parity with the best rails. This situation, however, applies to operating companies primarily, and holding companies benefit thereby only to the extent that they derive dividends from such operating company holdings. Holding companies are not regulated, as a rule.

Utilities Diversified in Character

The term "public utilities" comprises a variety of industries. The most familiar is the electric light and power company, which in turn is differentiated into companies primarily hydro-electric and those dependent on steam generation. The economic differences between these two are fundamentally in the extent of capital investment. Hydro companies require heavier initial investment for the volume of business obtained, but later revenues are all the more profitable. Steam companies show larger immediate profits with lesser gains as time goes on.

Gas companies are also familiar; these in turn are divided into manufactured gas companies and natural gas companies. The latter are less conspicuous.

The tractions, or street car utilities are important, as are also the interurban trolleys. Bus corporations are recent arrivals in the list of utilities. Minor utilities comprise water and steam heating companies.

Operating and Holding Companies

Operating companies ordinarily derive their revenues directly from the consumer. If they hold stocks of subsidiary corporations, such corporations are merely devices for more efficient administration.

Holding companies, on the other hand, own securities in underlying corporations, and in large measure, though not always, the major part of their income is derived from earnings on common stocks of these subsidiary corporations. Frequently these corporations also enjoy engineering and management revenues from subsidiary companies. In maay cases they own oil companies or other miscellaneous investments. Since the holding company is dependent on the net earnings applicable to the junior securities of the corporations whose stock it controls, it is obviously in the position of an investment trust with reference to its realized revenue. Corporations differ greatly in their accounting practice, some counting as income all earnings applicable to the common stock they hold; others, more conservative, count only cash dividends received from subsidiary company investments, as earnings.

Common to All Utility Stocks

This great diversity of public utility types may well give the investor pause. He realizes from actual experience that electric light and power sales have advanced more than gas sales. He knows that tractions have frequently been through bitter struggles with buses, whereas electric light and power has seen no new rivals. He knows that the trend of rates in some utilities is upwards, and of some downwards, although in both cases net earnings have increased.

When he conceives the many possible combinations of utilities, he may well despair as to learning much about any particular company.

Earning power is the one common criterion of all companies, whether industrial, rails or utilities. Capitalization of earning power is the market valuation of all securities, whether utilities or not. Past earning power for the last few years, present earning power, and immediately future earning power, constitute the basis for all valuations. Wherever these three factors are disregarded, either by too much inflation or pessimism, the stock is either cheap or dear. Otherwise it is selling at a just price. Whenever other factors are given undue weight, the stock is not properly valued.

This may seem to place earning power in the centre of the picture and the rest nowhere. Fundamentally that is true. Valuation of assets is important in so far as assets can be taken as a rate basis. If valuations per share are high, and earnings per share low, compared to such physical valuations, this should be considered only if such valuations are likely to increase earning power, by being used as a basis for higher rates in the next few years. The same is true of strategic position with reference to mergers, etc., of character of management, distribution of consumption, etc. In so far as they ascertainably assist the amount and continuity of earnings, they should be considered, otherwise not. In a public utility which is, of course, a cash business, the problem of valuation is simplified, because working capital is also simplified, especially as to inventories, receivables. etc.

Arrive at Same Value

It is really amazing to see how closely two engineering firms competing for the same utility will come to each other's figures in making their valuations. Apart from net quick assets, which are automatically figured, earning power seems to be easily calculated. Size and character of the investment play some part. For example, water works are obviously capable of greater stability than almost any other utilities, and it is not at all excessive for such stock if issued by a well-managed company. to sell for fully fifteen times annual earnings. At the moment of writing, average utilities, both operating and holding company stocks, are selling at nine times their present annual earnings. Hence they are selling under the so-called safe average for all stock which holds that earnings be one-tenth of the market price. If that were all, they would be cheap. But the question is not as simple as that. Operating companies ought to sell on a better basis than holding company stocks for one main reason.

Assume that a holding company common stock has investments of 100 millions in securities of subsidiary corporations. Let us assume that 75 millions of these holdings are in common stock. The holding company terms all earnings, attributable to the common stock of the operating companies, to be earnings on its own shares. The holding company has outstanding 30 millions in debentures, 20 millions in other senior obligations, and 25 millions in common stock. It obtains, say, 6 per cent., from the senior obligations of its subsidiaries, or 1.5 millions on the 25 millions so held. This is insufficient to pay the interest on its own debentures. It depends, therefore, on its earnings from the 75 millions in common stock to pay for its issued capitalization and to develop a surplus besides. Let this 75 millions earn 4.5 millions. Then, 1.5 millions would be applied to interest on senior obligations of the holding company, in addition to the 1.5 millions previously applied to the debentures. Three millions of operating company earnings would thus be attributable to the common stock of the holding company. On 250,000 shares of common stock ($100 par) this would be equivalent to $12 per share. If all of this is paid out in cash dividends, no surplus is created, so that all future expansion, etc., must be met by increase of senior obligations. If these in turn are sold at 6 per cent., or less, the position of the common stock owners of the holding company is not injured in any way.

What Should It Sell For?

Now, should the holding company stock, earning $12, sell for, say, $120? Let us see both possibilities. If there is an increase of merely 10 per cent. in net earnings of the subsidiary corporations, or $450,000 additional, this would mean 15 per cent. additional attributable to the common stock of the holding company. This would add $1.80 per share per annum to its earnings. On the contrary, however, let there be a decline of 20 per cent. in net revenues applicable to operating company common stock. This means that only 3.6 millions is to be apportioned, 1.5 millions to senior securities and 2.1 millions to holding company common stocks. Earnings attributable to the common stock of the holding company have declined by $900,000, or 30 per cent., although net earnings of subsidiaries have declined only 20 per cent.

In other words, holding company common stocks cannot show the stability of earning power that is characteristic of operating company common stocks. They advance more rapidly in earning power, but they decline more rapidly also. These facts have not been clear in the last two or three years because holding company systems have grown amazingly and earnings per share are not comparable from year to year.

Since such common stocks are more speculative, in a good as in a bad sense, the question of speculative value comes into play. Just what are future earning power possibilities to be capitalized at? One illustration will suffice. A hydro-electric company has been compelled to invest more and more in capital equipment, so that finally its investment is six times its annual gross revenues. When the revenues situation turns it will "sit pretty." It need invest little more, and the increasing revenue is nearly all net. How should be investor value such a possibility?

Valuing Cost of Speculation

The cost of speculation can rather easily be valued. Money is worth, say, 6 per cent. per annum. It doubles itself, accordingly in twelve years. Unless a security doubles in value in twelve years, if it is not a dividend payer, it has lost money for the speculator. But there is one important difference. Money invested at 6 per cent. is certain to double itself in twelve years, whereas speculative money may not. Hence the rate of increase must be greater.

In view of the cost of speculation, if the stock is not a dividend payer, and it is not likely to show large profits in the next three or four years, its future can safely be disregarded. If, on the other hand, it pays a good return to-day, its possibilities may rightly be valued, but at only a slight advance over the capitalization of the present rate of return. The investor must remember that waiting for future profits is a costly proceeding, and that he should not pay too much for this "privilege."

The upshot of this study is simple enough. Holding company securities are cheap when they sell at about eight times their true earnings per share. Operating companies can do better but they should not sell at more than twelve times annual earnings, except in the case of water companies, where a higher ratio is permissible. Future possibilities ought to be valued at 25 per cent. per annum at best. That is to say, doubling in earnings should take place in four years to make it worth while to forego dividends for that period. These rough tests, while subject to many corrections for individual companies, are all that most investors need to keep them out of danger, and in profits.

Investors should not place too much reliance on nominal amounts "earned per share." Assume the gross revenues of a system to be, say, 5 millions. The operating net is 2 millions. Only $200,000 is attributable to holding company common stock. There are only 50,000 shares outstanding, so that $4 is earned per share. Yet a decline of 5 per cent. in gross would imperil the holding company common stock revenues, so that they would be wholly wiped out. Earnings per share depend on the proportion of revenue attributable to the common shares. If senior obligations are large, as a proportion, then the common stocks earnings per share are not a very important index of future earning power. Stability or gains in actual revenues becomes the main question.

TUCKETT TOBACCO LOOKS TO 1926 AS FAIRLY GOOD YEAR

(Continued from page 1)

manufacturing. The domestic grower is doing his bit and the manufacturers are helping him with his marketing problem. The cigarette and cigar factories are modern and the machinery both for making cigarettes and cigars and for wrapping them for the consumer is automatic to an amazing degree.

Whatever troubles the industry has are due to excessive taxation. The government figures place cigarette consumption in Canada at 2½ billion each year. But the government figures show only the domestic production plus the infinitesimal number of imported cigarettes on which the duty is paid. There is a vast smuggling of cigarettes because it is profitable to smuggle cigarettes.

The government's remedy for the cigarette smuggling habit is to have its officials at the border search the luggage of individuals and assess a tax where culprits are found with the occasional package of American smokes. The Canadian tobacco industry's remedy for this evil is to make the smuggling unprofitable from the viewpoint of the smuggler.

Ask Lower Duty

Canadian manufacturers produce their products as cheaply as the manufacturers in the United States. The difference in the taste or feel of a Canadian cigarette, cigar or pipe tobacco in comparison with the similar product in the United States is a difference in the taste of the public in Canada. Until recently the Canadian cigarette smoker insisted on the pure Virginia and nothing else, although his wife, if she had learned to smoke, may have taken a fancy to the Turkish brands. Latterly there has been a fairly large trade built up in a domestic blended cigarette similar to the cigarettes produced in the United States and smuggled in such large quantities to Canada. Your Canadian pipe smoker, however, is still constant to the old-fashioned Canadian pipe tobacco, and is content to have the United States keep its granulated tobacco made out of burley leaf. The difference in cigars, taxes being equal, is not so marked.

With manufacturing costs down to a low level and with profits sacrificed in order to maintain a domestic business, the Canadian tobacco industry feels that it has been unfairly and shortsightedly dealt with by the government in establishing and keeping taxes, duties and excise, which are excessive and burdensome. It is contended that the government in all probability would lose nothing by reducing the taxes to a reasonable point. It has been the experience of every country which has reduced taxes wisely that the resultant prosperity in the nation or in a single industry more than offsets the specific tax reduction.

Customs duties and excise taxes now are equal to 80 per cent. of the selling prices.

Hudson's Bay Land Sales

The returns for the quarter ended October 31 shows that 52,604 acres of farm lands were sold for £129,352, against 27,576 acres for £72,600 in the corresponding quarter of 1925; while town lots were sold for £1,260, against £2,540. The total receipts for the quarter were £85,370, against £88,920 for the quarter ended October 31, 1925.

For the nine months ended October 31 last, sales of farm lands comprised 191,726 acres for £469,726, which compares with 98,873 acres for £250,118 in the corresponding period. Sales of town lots realized £6,310 against £9,810. The total receipts were £335,754, against £254,704 for the corresponding six months.

Life Insurance Sales in Canada

	1922	1923	1924	1925	1926
January	$27,432,000	$28,108,000	$30,673,000	$30,838,000	$33,907,000
February	26,023,000	25,409,000	30,704,000	28,698,000	34,744,000
March	27,516,000	28,142,000	34,383,000	35,001,000	40,483,000
April	26,547,000	29,966,000	32,603,000	35,872,000	37,346,000
May	30,413,000	29,762,000	33,368,000	34,377,000	37,703,000
June	33,437,000	31,865,000	34,295,000	42,307,000	44,634,000
July	26,119,000	31,539,000	33,205,000	37,671,000	40,101,000
August	26,720,000	31,065,000	27,983,000	31,724,000	36,010,000
September	25,081,000	25,979,000	30,029,000	33,543,000	34,878,000
October	29,102,000	33,470,000	32,483,000	36,259,000	40,226,000
November	29,664,000	34,165,000	34,357,000	36,760,000	....
December	32,995,000	37,377,000	37,120,000	41,822,000	....

*Companies having in force 84 per cent. of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Life Insurance Sales Continue Great Gain

The production of ordinary life insurance in Canada was 11 per cent. greater in October this year than in October, 1925, according to a report just published by the Life Insurance Sales Research Bureau of Hartford, Connecticut. During the month $40,226,000 of new business was paid for by companies having in force 84 per cent. of the total outstanding business in Canada. This is an increase of $3,967,000 over the sales of October of last year. The report includes the production of new paid-for business, exclusive of revivals, increases, dividend additions, reinsurance from other companies, and group insurance.

The records in the different provinces vary widely. Quebec leads with a 27 per cent. gain. The next largest increase over last October is 15 per cent. in Prince Edward Island.

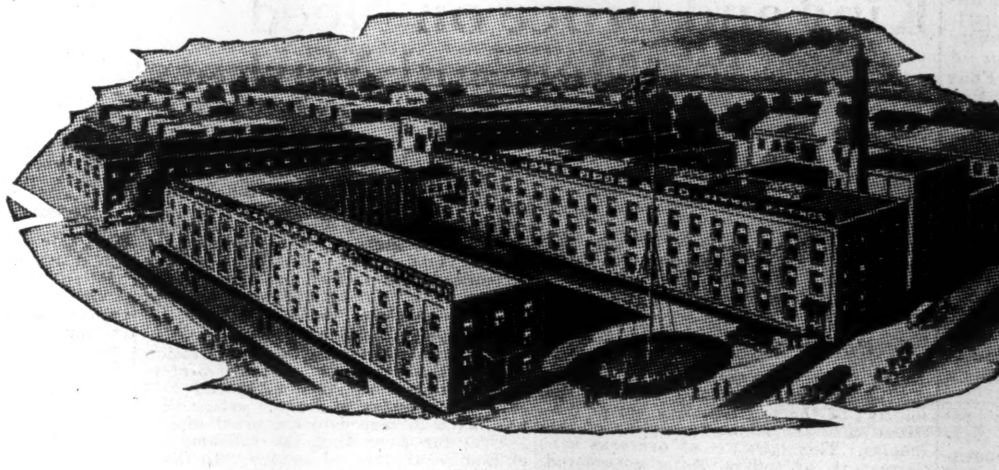
Improvement in the cities is most noticeable in the records of Quebec and Vancouver, which show gains of 44 per cent. and 43 per cent. respectively over October, 1925.

For the ten-month period the total new ordinary business paid for by the Canadian companies was $380,032,000 against $346,290,000 during the same months of 1925, an increase of 10 per cent. Every province in the Dominion shares in the general gain for the year, the increases ranging from 2 per cent. in Manitoba to 26 per cent. in Saskatchewan. Sales in Quebec and Ontario, the most important provinces, increased 15 per cent. and 7 per cent. respectively over the first ten months of 1925. The largest year-to-date gain in the cities is 16 per cent. in Montreal.

The average increase in the twelve months ended October 31, 1926, over the preceding twelve months is the same as the cumulative gain, 10 per cent. All provinces share in the gain for the twelve-month period, with the largest increase in Saskatchewan.

Canadian Western Lumber

Canadian Western Lumber Company, which includes the Columbia River Lumber Company, shows 18,199,290 ft. of lumber manufactured during the month of September, 1926, an increase of 2,973,839 over September, 1925. The amount of lumber sold during September is shown at 16,823,743 ft. at a price of $398,234, as compared with 15,378,660 at $368,751 for the same month of last year. The aggregate lumber manufactured from Jan. 1 to Sept. 30 was 127,064,378 ft. as compared with 98,969,728 ft. during the same months of last year. The aggregate lumber sold from Jan. 1 to Sept. 30 is shown as 125,598,972 ft. at a price of $2,993,083, compared with 93,904,052 feet at $2,253,447 for the corresponding months of last year.



New Issue

$300,000

Jones Bros. of Canada, Limited

(Dominion Charter)

6½% First Mortgage Twenty-Year Sinking Fund Gold Bonds

Dated 15th November, 1926. *Denominations: $1,000, $500 and $100.* *Due 15th November, 1946.*

Principal and half-yearly interest (15th May and 15th November) payable in Gold Coin of Canada at the holder's option at the chief office of the Standard Bank of Canada in Toronto, Hamilton, London, Ottawa, Montreal and Winnipeg. Bonds may be registered as to principal. Provision is to be made for an annual sinking fund commencing 15th November, 1927, estimated sufficient to retire 90% of total issue by maturity. Redeemable in whole or in part on any interest date before maturity on 60 days' notice at 105 and interest up to and including November 15th, 1931; thereafter at 104 and interest up to and including November 15th, 1936; thereafter at 103 and interest up to and including November 15th, 1941, and thereafter at 102 and interest.

TRUSTEE: The Toronto General Trusts Corporation, Toronto.

CAPITALIZATION

	Authorized	*To be issued*
6½% First Mortgage Twenty-Year Sinking Fund Gold Bonds	$300,000	$300,000
Common Stock without nominal or par value	10,000 shs.	5,513 shs.

For detailed information we refer to the prospectus, containing letter from Mr. Sidney Jones, President of Jones Bros. of Canada, Limited, which has been summarized, in part, as follows:

BUSINESS AND PROPERTIES—Jones Bros. of Canada, Limited, has been incorporated with a Dominion Charter to acquire and operate the business, plants and undertakings of Jones Bros. and Co., Limited, Toronto, Ontario, and its subsidiary, Bouey Brothers Company, Limited, Winnipeg. The Company as successor to Jones Bros. and Co., Limited, and Bouey Brothers Company, Limited, will be the largest manufacturer in Canada of store fittings, including show cases, revolving wardrobes, sectional wall fixtures, New Way units and window display partitions. It will also be the largest manufacturer and distributor of barber supplies in Canada. The Company has the exclusive rights in Canada covering the patents of The Grand Rapids Show Case Company, Grand Rapids, Mich., the largest show case company in the world. The Company's business is national in character. Its head office, laboratories and showrooms are located in Toronto, with the manufacturing plants at Dundas, Ontario, and showrooms and warehouses in Montreal, Winnipeg and Vancouver, and sales agencies from coast to coast. The business of the Company and its predecessors, with an estimated turn-over this year in excess of $875,000 and present net assets in excess of $634,000, has been almost entirely built up out of earnings. The stock on hand is new and the factories and machinery are in a high state of efficiency and thoroughly modern.

HISTORY—Mr. Sidney Jones in 1887 founded the firm of Jones Bros., which, at that time, did an importing and jobbing business in barbers' supplies. By 1900 the business had outgrown its premises, and larger quarters were acquired, and, at the same time, the business branched out into the manufacture of barbers' wall fittings and a general woodworking business. In 1904 the business was incorporated under the style of Jones Bros. and Co., Limited, with a capitalization of $40,000. Two years later, or in 1906, the authorized capitalization was increased to $200,000, and a plant in Dundas, Ontario, was acquired, to which necessary additions have been made from time to time. The head office, selling agency and laboratories remained in Toronto, and the selling forces of the Company were located in the more important centres in Canada. In 1923 Bouey Brothers Company, Limited, of Winnipeg, was acquired to look after the Company's Western business, which, at that time, had grown to a very large volume, and has since shown substantial development. During 1926 the factories of the Company have been working to capacity, and it is expected that this condition will continue.

SINKING FUND—The Trust Deed will provide for annual sinking fund payments, commencing on November 15th, 1927, estimated sufficient to retire 90% of the issue by maturity.

MANAGEMENT—Mr. Sidney Jones, President of Jones Bros. and Co., Limited, who has been associated with that company since its inception, is President, and Mr. C. W. Hunter is General Manager of the new Company. The executive positions in the new organization will be occupied by those previously associated with the successful operation of the constituent companies.

ASSETS—(after allowing for present financing)

Fixed Assets as at November 4th, 1926. (As appraised by Canadian Appraisal Co., Ltd., after ample allowance for depreciation) Land, Building, Machinery and Equipment	$302,161.78
Net Current Assets after making provision for all current liabilities and exclusive of goodwill, patents, trademarks, etc.	332,277.45
Total Net Assets	$634,439.23

(or $2,114.79 for each $1,000 of this issue outstanding.)

The current assets of the Company are 3½ times their current liabilities.

EARNINGS—An analysis of the consolidated yearly earnings of Jones Bros. and Co., Limited, and its subsidiary, Bouey Brothers Company, Limited, as certified by Thorne, Mulholland, Howson & McPherson, shows:—

The average annual consolidated net earnings before providing for interest, depreciation, Federal taxes, for the seven years ending December 31st, 1925, were in excess of	$ 46,500.00
(which is at the rate of over 2 1-3 times Bond interest requirements.)	
Estimated net earnings on the same basis, based on orders executed and business on hand, for the year ending December 31st, 1926, will be in excess of	$ 70,000.00
(which is at the rate of over 3½ times Bond interest requirements.)	

The future of the business appears brighter than ever before, and, with the predominating position which the Company holds in its field, it should benefit largely from the improvement in general conditions in Canada. It is confidently expected that the earnings of the Company will show a steady and substantial increase.

SECURITY—The bonds will be secured by a first and specific mortgage on the real and leasehold property now owned or hereafter acquired by the Company, and by a first floating charge on all its undertaking property and assets, other than specifically mortgaged premises as provided in the Trust Deed. The Trust Deed provides that the Company may not make capital expenditures, except for necssary repairs or replacements, or declare or pay cash dividends on its common shares, unless current assets remain equal to at least 150% of current liabilities nor unless net current assets remain equal to not less than 60% of the principal amount of outstanding bonds, or declare or pay cash dividends on its common shares except out of surplus earnings remaining after deduction of all fixed charges and operating expenses.

We have purchased and offer the above Bonds when, as and if issued and received by us, subject to the approval of all legal details by Messrs. Long & Daly, Toronto.

PRICE: Par and Interest, Yielding 6½%

Gairdner & Company, Limited
312 Bay Street, Toronto 2, Ont.
Telephone Elgin 2301

Stewart, Scully Co., Limited
1004 Royal Bank Bldg., Toronto 2
Telephone Adelaide 1136

The statements contained in this advertisement are not guaranteed, but are based on information which we believe reliable, and on which we acted in purchasing these securities.

Prairie Dairy Industry Founded on Quality First

Western Provinces Have Been Supplanting the East in Placing Canadian Butter on Markets of World

DAIRY production of the three prairie provinces for 1925 was valued at $55,200,000. This represents an increase of about $10,000,000 in three years, while the whole business has been built up practically in a decade. In the following article P. E. Reed, dairy commissioner for Saskatchewan, tells of the development of the industry in the great wheat province and shows how it has been successfully founded on the basis of "quality first."

Alexander Ross, the historian of the Red River Settlement, reports that in a journey from Oregon to Red river in 1825 he found two cows at Fort Cumberland and a few at other points on the Saskatchewan river, these cows having been secured from the Red River colony. The introduction of these few domestic cattle one hundred years ago was the very beginning of dairying in the territory now included in the province of Saskatchewan.

It was many years later that creamery buttermaking had its beginning. The first creamery in Saskatchewan was started at Saltcoats in 1890 and operated until 1904. The first cheese factory was located at Springfield, near Moosomin. This plant commenced operations in 1891, but it, too, has long since ceased to exist.

These early experiences proved that under the conditions existing at that time the operation of dairy factories could not be made a profitable undertaking. But at the same time, the agricultural leaders realized that dairying was essential to the sound and permanent development of agriculture and should be encouraged.

In 1895 the Dairy Branch of the Dominion Department of Agriculture established a creamery at Moose Jaw, and the next year two others were started at Indian Head and Prince Albert, respectively. In 1897 and following years the Dominion department lent assistance in the establishment of creameries at a number of other points in Saskatchewan. Four of these creameries were in operation when the province received its autonomy. They were situated at Qu'Appelle, Tantallon, Moosomin and Langenburg.

The Dairy Branch of the Saskatchewan Department of Agriculture was organized in the spring of 1906, and took over the operation of the four above named creameries that season. The first year for which provincial statistics are available was 1906, so that the history of dairying in Saskatchewan as a province dates from that time, and it is interesting to note what the conditions then were.

The four creameries already referred to were operated by the Government Dairy Branch on a co-operative basis, the total net proceeds being distributed among the producer patrons. This marked the first step in co-operative marketing of dairy products in the province.

Increased Output

In addition to these creameries, there was one privately owned plant at Humboldt. All of these original plants have operated continuously ever since, with the exception of Qu'Appelle. This factory was closed in 1912 when the plant and equipment were moved to Regina.

That the total output of these five plants for the twelve months of 1906 was less than 133,000 pounds of butter, is evidence of the very primitive state of the dairy industry at that time. By way of comparison it may be noted that in 1926 there were 70 creameries in operation with an average production per plant of 228,000 pounds for the year.

Progress in dairying during the early years of the province, though steady, was very slow; with millions of acres of the most fertile prairie waiting for the plough, and where there was neither tree nor stone to interfere with cultivation it was natural that grain growing should come first. For many years there was not sufficient of milk, butter or cheese produced to supply home needs.

Contrast with this the situation as it was last year when despite a large increase in population and, consequently, in local consumption, 12,350,000 pounds of creamery butter were exported from Saskatchewan after supplying all home needs. We realize more fully Saskatchewan's present status in the Dominion export trade when we note that her exports of 12,350,000 pounds is very nearly one half of the total exports of the entire Dominion of Canada. The export butter from Canada, as a whole, totalled 26,000,000 pounds for the year 1925.

The revenue that Saskatchewan received from dairying during the year of 1925 was $21,060,637. Figures as large as these usually convey more meaning when they are illustrated. The revenue from dairying in Saskatchewan during the year 1925 was three times as much as the output of the largest gold mine for the same pariod of time.

There must be a reason for this marked increase. Such strides as these do not occur in any industry without some very distinct cause and assistance. "Quality" is decidedly the key to success in the dairy industry, perhaps more so in the prairie provinces of Canada than elsewhere on this continent, since we are so largely dependent on the export trade for disposal of our product. It is for this reason that, though the quantity of our butter has increased rapidly we have not overlooked the necessity for quality in our product.

Quality a Big Factor

In 1914 a system of butter grading was established to grade butter manufactured in the co-operative creameries. Later this service was extended to include all butter manufactured in the province. The motive behind this system of butter grading was a desire for a uniform product of high quality. The addition of improved ventilation, together with the successful application of refrigeration to ocean transportation made it possible for us to place our dairy products on the British market in good condition. This immediately meant that our marketing problems were no longer items influenced by local conditions or seasonal change, but rather our trade was more on an international basis.

For these reasons we had to exercise the utmost care to see that our product was able to compete with other butter exporting countries such as Denmark, New Zealand, Australia, Argentine, etc. The grading of butter helped so materially to attain these ends that now federal regulations require that all butter exported from Canada must be graded by federal officers and must carry a grade certificate.

Creamery operators soon came to realize that high quality butter could be made only from high quality cream. Therefore, the next natural move was to try to improve the quality of the cream.

In compliance with a resolution passed at the 1923 Provincial Dairy Convention the Saskatchewan Government, through the Dairy Branch of the Department of Agriculture, instituted the compulsory grading of cream and purchase on a quality basis. Through the medium of cream grading the quality of the butter has been improved because the cream from which it is made has improved. The producer of high quality cream gets a premium for his efforts and also a fair competition is assured creamery managers who serve the same territory.

As stated before the producers and manufacturers have come to realize that this business of dairying is one in which a very delicate and perishable food quality is being handled. Quality is the aim of Saskatchewan dairying and this can be attained only through a thorough appreciation of the fact that cleanliness is the all important factor in determining our success.

Big Export Demand

It is uniform quality of product and attractiveness of package which have made the British buyers come to look upon our butter with ever increasing favor. It is the United Kingdom which determines in a large measure our prices. Last year of our export butter of 12,360,000 pounds, Great Britain took 10,500,000.

Saskatchewan is essentially an agricultural province. Her success or failure depends upon the methods she employs in her agriculture. Old prosperous agricultural countries are not those who depend entirely on one crop, but rather they are stabilized by a number of endeavors, the chief of which is dairying. So when the people of Saskatchewan received a revenue of over $21,000,000 from dairying during the past year they surely have come to realize that the safest and most stable of all agricultural pursuits is dairying. As yet, however, the results obtained are merely an indication of the heights to which dairying may attain. It has been established on a safe and sane foundation and it is assured of healthy and rapid development.

King and Bruce on Need for Men and Markets

(Continued from page 19)

ably, is the trend at the present moment, and I suggest it is the task of this conference to see if we cannot definitely find some way in which we can check this tendency."

In great detail, Premier Bruce analyzed the Australian market possibilities for British motor cars, and then turned to a discussion of the policy of preferences.

Policy of Preferences

"We must ever remember that upon the obtaining of markets depends the solution of the problem of a better distribution of the white population of the Empire. This question of overseas settlement is, of course, being considered by a sub-committee of this conference, but, while such a committee can consider the ways and the machinery and do a great deal to stimulate the flow of people into the Dominions, the real fundamental thing that will revolutionize the whole situation is for great developments to be going on in the Dominions, and for their absorption power to be increased. Increased population means increased production, and the problem we have to solve before that can be achieved is to find markets for what we produce.

"In 1923, when I was at the last Imperial Conference, it was continually stated—I read it myself hundreds of times—that I was urging upon the people of Britain that they should tax foodstuffs and raw materials. I never urged anything of the sort. Britain in 1919 had granted certain preferences, and all I urged was that Australia would be glad if this preference, having been granted, should be made effective. To-day I would urge exactly the same thing, that where there is a duty, and where a greater preference to any part of the Empire can be given by reducing the amount of duty which Empire goods must pay, it would be desirable, having regard to the great value of getting a market for some of these commodities of the Dominions, to consider whether such a reduction is not desirable. It could have no possible effect on the cost of living in Britain other than that it might conceivably reduce it.

Special Products—Special Attention

"The president of the board of trade yesterday referred to the great advance that had been made in regard to voluntary preference and his belief that, by an intensive campaign, much could be done to advantage Empire produce in the markets of this country. As far as we are concerned, we entirely agree with the principle, and we are prepared to go on and do everything in our power to try to ensure that voluntary preference will be given both in Britain and in the Dominions. I believe it is essential, having regard to the importance of a better distribution of the white population of the Empire, that serious consideration should be given in Britain to the position of certain products which are what I describe as closer settlement products, products that are produced on very small areas and lead to close settlement. These industries only cover three things, dairy produce, fruit, and pig products, but these things, having regard to the great advantages that would flow from greater settlement and an increased population in the Dominions, are, I suggest, well worthy of the consideration of the British government. But again I would stress that as far as I am concerned I only put this suggestion forward for the consideration of the British government. I have never suggested the general taxation of foodstuffs, and I have always recognized the tremendous importance to Britain of having adequate supplies of cheap food and raw materials.

Appreciates Marketing Scheme

"I desire to express the appreciation of Australia for those increased preferences which were given after the 1923 conference, and also for the action that was taken in regard to the grant of £1,000,000 for promoting the consumption of Empire produce. I believe both those things, certainly the preferences, have had a very considerable effect, and I believe the widest utilization of this £1,000,000 will have similarly advatageous results.

"It is quite useless to create the sentiment and desire to purchase what we are producing unless we are going to ensure that we will send goods of the highest possible standard, and secure that we are going to produce them at a price which will be competitive with the other countries of the world.

"Finally, and possibly more important than any of them, is that we must ensure that we shall send a continuous supply. We are doing our best to meet that position, and I can assure you that we are prepared to admit that in the past we may not have produced our goods in the way they should have been produced when they had to fight in a competitive market. We have accordingly set ourselves in the last three years to set our house in order, and I am very hopeful that all the difficulties that have existed in the past will disappear. I am confident that the British public will be able to rely upon the standard of the production from Australia, and also that we shall get to the point of being able to ensure continuity of supply. It will go a long way to help voluntary preference if we will do our part of it and ensure that what we are sending forward is what the people want and at a price which is competitive with other nations. I believe we can do it.

Reducing Distribution Costs

"There is, I believe, one thing that can be done here enormously to assist the position, and that is with regard to the distribution problem. Every one of the Commissions that has gone into this has laid down that there is something wrong with the present basis of distribution, and that there is far too great a spread between the price received by the producer and the price paid by the consumer. I believe that this is a question that should be solved by the commercial interests themselves. I do not believe any Government can come in and start trying to put a basis of distribution right where it has got some defect in it, as is obviously the case to-day, but I do suggest it would make all the difference towards the promotion of the sale of Empire produce in Great Britain if something could be done to solve this question. The commercial interests of the country have to recognize their obligations, and must find the solutions, although possibly it might be necessary for Governmental action to be taken to give effect to the methods which the traders were prepared to put forward.

"The matters which I believe have got to be very carefully threshed out and considered are methods by which we can improve the efficiency of our production, the efficiency of our marketing, and the efficiency of our distribution. There are many questions which, of course, are for consultation with the commercial interests, and an endeavor should be made to get the commercial interests to give the lead. There are, however, certain questions where Governments can do a tremendous amount, and I believe that this Conference can possibly achieve very much in regard to these things.

Research; Standardization

"I think if I were asked to-day to name the most important thing for the promotion of Empire trade, for ensuring efficiency in production, and competitive power in the markets of the world, I would put first the application of science both to our primary and secondary industries. While a great deal has already been done, I venture to suggest it is essential to get some greater co-ordination of all the efforts that are being made to-day to bring to the aid of industry the assistance of science. The Committee which is being appointed from this Conference to consider that question, I would urge strongly, should have in mind an endeavor to try to bring about some system of co-operation in regard to scientific research in its application to industry on an Empire wide basis.

"There is a question of standardization, and I do not think there can be any question of greater importance to-day. But I would suggest that there again we have to try and get a real forward move on an Empire basis in regard to this question and I would further suggest that it is not a matter for Governments. I believe, if this Conference really took the question up seriously, if in all the parts of the British Empire we approached our respective industries, we could bring about a measure of standardization which would improve the efficiency of Empire production enormously and would remove many of the difficulties that we are faced with at the present time, when, with all the desire in the world, many Dominions find considerable amount of difficulty in buying British-produced goods for some of their major requirements.

"Transport and communications, of course, are vital, but they will also have to be considered in more detail by Committees and, at this moment, I do not want to refer to them at all.

Co-operative Marketing

"The only other question that I think we should consider and should try to see clearly upon is the question of marketing and the recognition of changed circumstances which exist in the world today. We have to recognize that practically every great country in the world to-day is taking some step towards organization on a basis of co-operative marketing, and it is very possible that on this whole question we might have to take the Imperial point of view. Co-operative marketing is a factor which we shall have increasingly to consider in future. There has been an atmosphere, however, of trying to create a belief that organized marketing in the Dominions for the better handling of Dominion products is, in some way, directed against the consumers of Great Britain. It has no element of that sort in it at all. I am certain that, in the end, it will be enormously to the benefit of the consumer if we can get all marketing done on a basis where the producers are not subject to the machinations of the speculator. If we can keep a steady and regular price the consumers themselves will obtain what they require on a better basis than they do at the present time. I think it is most undesirable that there should be any encouragement given to the idea that these efforts, which of necessity the Dominions have had to make in order to ensure the position of their own producers, are in any way directed against the consumer.

"I think the Imperial Economic Committee and the Empire Marketing Board will have to be considered in relation to any decisions that may be come to as a result of the investigation of the whole position by the Committee that is dealing with the economic side. I agree with the Prime Minister of Canada that there are probably many other industries they could most valuably investigate and which it would be most beneficial that they should.

Empire Resources Survey

"I also think that it is essential we should, now that we are faced with great economic difficulties and the necessity of trying to find a solution of them, look at the Empire as a whole with a little wider vision, and consider exactly what are the resources of the Empire, and try to bring about some sort of a stocktaking which at the moment we really have not had at all. The starting point for any such investigation, I believe, would be to consider exactly what we are already producing, where we are producing it, and where we are selling, and also to consider what we are actually buying to-day and where we are obtaining it.

"I suggest it might be an extraordinarily valuable thing, in considering this whole question of the promotion of Empire trade, if the Imperial Economic Committee or some similar body were entrusted with the task of really trying to take a full survey of the Empire and its resources, and to report to the Governments of all the different parts of the Empire upon the question of what we are in fact producing to-day and where it is being produced, what are our requirements, and where we are obtaining them. Such information, I believe, would assist us all tremendously in connection with the whole question of trying to promote a greater flow of Empire trade.

"We are determined to do everything in our power to try and promote inter-Imperial trade, and I would assure you that anything the Australian people can do to assist Great Britain now to try and ensure that British goods will be consumed in increasing volume in the Australian market will be done with the approval of the whole of the people of Australia.

"While we are determined to go forward with our own national development, we are equally determined that that national development shall take place inside the British Empire and that we shall in every way give preference to British trade over that of any other country in the world."

Exports of Pulpwood, Sulphite and Sulphate Up

From Our Own Correspondent

MONTREAL.—The exports of sulphate pulp during October amounted to 305,841,000 pounds, which represents a substantial increase over the preceding month, in which there was exported 267,794,000 pounds, and also over October, 1925, when the exports totaled 252,151,000 pounds.

Exports of both bleached and unbleached sulphite pulp also showed a decided increase during the month. The figures follow:

SULPHITE

Unbleached		
October, 1926	426,795	1,196,984
September, 1926	380,672	1,071,182
October, 1925	393,406	1,041,939
Bleached		
October, 1926	376,840	1,448,521
September, 1925	328,089	1,325,659
October, 1925	340,614	1,280,194

Exports of pulpwood showed a marginal increase over the month of September and gained about 50 per cent. over the same month of last year. For the year to date, pulpwood exports are below the 1925 level.

Burlesque Shows Made-in-Canada?

Canada acquires further independence. Again the nation declares its spiritual and intellectual separation from the United States.

Incorporation papers have been granted at Ottawa to the Canadian Burlesque Circuit, Limited, of Montreal, to do among other things the following:

"To carry on the business of theatre proprietors, directors, lessees and managers, and to provide for the engagement of theatrical companies, representation and performance of stage plays, burlesques, vaudevilles, extravaganzas, songs, dances, ballets, pantomimes, spectacular pieces and other dramatic and musical performances and entertainments."

Herbert Tareyton London Cigarettes
"There's something about them you'll like"
20 for 35¢
For your Pipe Herbert Tareyton London Smoking Mixture

Dominion Battleship Linoleum
The Permanent Floor

Meets Every Demand of a Public Floor

Floors for business or public institutions are today chosen on the basis of value. Permanence, freedom from costly upkeep, ease of cleaning, quietness and comfort underfoot, attractive appearance, are a few of the features sought—and always obtained with Dominion Battleship Linoleum.

This modern public floor is easy and quick to lay. It is firm, smooth, non-absorbent and odorless. Springy and resilient, it ends the noise of boot-heels. Light brushing keeps it spotless, while a high polish, when desired, may be obtained readily by an occasional waxing.

Dominion Battleship Linoleum AAA quality, is made in eight standard shades—brown, green, terra cotta, grey, buff, blue, black and white, (used extensively for tile floors). AA and A qualities, in four standard shades only. Special colours for large contracts.

Made in Canada to suit our climate and installed by all large house furnishing and departmental stores. Write us for free samples and literature.

Dominion Oilcloth & Linoleum Co.
Limited Montreal
Makers of floor coverings for over 50 years

Dominion Oilcloth & Linoleum Co. Limited · Made in Canada · Montreal

Dominion Battleship Linoleum floor in Administrative Offices, Simcoe Hall, Toronto Ont.

How Much of Your Overhead is UNDERFOOT?

Utilizing Saskatchewan Coal for Giant Power

Would Lighten the Burdens of the Farmers as Well as Providing Energy for the Development of Suitable Industries

By W. H. GREENE, M.E.I.C.,
Chairman Saskatchewan Branch, Engineering Institute of Canada.

TO ENUMERATE the industries that can be expected to follow or be benefitted by the construction of a comprehensive and province wide electrical power scheme from central generating stations at the coal fields one would require to be endowed with prophetic vision, but some at least can be indicated.

These large deposits are already being exploited but only moderately so at present. Trouble was at first experienced in securing a brick of uniform color from successive burnings due to variation in the coal used but this has been pretty well overcome. Here is a close market for our coal after it has been coked or briquetted. The Clay Products Co., are now proposing to manufacture hollow tile, radial sewer brick, and are experimenting with vitrified paving brick. Our climate requires well built houses, and there should be a good market for brick if the price can be lowered through the use of cheaper local coal. Again, lumber prices are steadily increasing, and the spread between a brick building and a frame one will gradually decrease.

Clays suitable for the making of pottery and some classes of china at least exist and are beginning to be used. China clays are very scarce in Canada so these deposits may on development prove valuable.

Pulp Wood

Saskatchewan possesses a considerable quantity of this valuable timber, the estimate being 148 million cords out of a total of 1,281 million cords of the whole of Canada. True, these supplies are almost wholly in the northern portion of the province, but its exploitation will benefit the southern part. Cheap electric power in large quantities is required for pulp manufacture as is also a considerable amount of steam for heat treatment, this ranging from 1,000 to 1,500 pounds of coal and from 10,000 to 13,000 pounds of steam for every ton of newsprint manufactured. Why should not this power be supplied from electric stations at the coal fields, augmented and reinforced by hydro-electric power from the water power sites in the north part of the province?

Water Power

Our water powers are as yet wholly undeveloped but still they are estimated at 1,800,000 horse power if properly developed with storage dams, etc.

While this is small in comparison with Quebec's 11,640,000, Ontario's 6,800,000, Manitoba's 5,770,000 and British Columbia's 5,100,000, still it will prove a valuable aid and stand-by to any scheme of central station electric production utilizing our large coal resources.

Coal Resources

The transmission of electric power throughout the province would be of great benefit to the rural community. The hard labor required for carrying on much of the work incident to diversified agriculture can be largely abolished by systematic use of appliances operated by electric power. Cooking, washing, ironing, milking, feed-cutting, threshing, etc., are made easy; lighting is improved and one serious fire hazard is eliminated. That the farmers already realize the benefits is proven by the rural supply lines that extend a dozen miles out beyond the limits of the cities, such lines being built and paid for by the farmers adjoining the lines who in addition pay high rates for the current used. How much more beneficial then would be a province wide scheme where much lower rates would be charged.

It is pretty well established that cheap power is necessary to and will attract industries to a locality that would otherwise be passed up. Certainly we in this province need industries to stabilize year round employment. Agriculture requires large numbers of men during certain seasons, particularly at harvest, but gives no help during the long winter. Up to the present this need has been met by the bringing in of outside labor which returns home as soon as harvest is over, taking huge sums of money out of the province. Anything that will reduce this drifting will be beneficial and coal mining certainly will help. Man is a more or less improvident creature, and amongst other traits rarely purchases fuel before the first serious drop in temperature, even though he knows that he must have it. The mine managements and the dealers advise the purchase of fuel during the summer months and advertise lower prices to induce its purchase—but still a relatively small proportion is bought and stored. So coal mining is also a seasonal industry, but fortunately one that gives maximum employment during the winter months.

Chemical and metallurgical industries that use electric power in electric furnace operations must seek out locations where such power is available in quantity and at low cost. The importation of the raw materials used is of secondary importance, as has already been proven.

One chemical industry has already begun operations whereby magnesium sulphate (a necessity in wood pulp manufacture) is being extracted from lake deposits. Fertilizer for the land has a ready market and this is an electro-chemical process. Then there is the matter of coal exportation to the Eastern provinces which is bound to become necessary within a few years. One coal will have to be processed to permit storage, haulage charges will require readjustment, and the Eastern consumer will have to be educated in the use of soft coals in place of the anthracite that he now prefers; but all these can be overcome when both buyer and seller put their minds to it.

So all the signs point to the more economic use of coal and to my mind this means great prosperity to these places that are blest with large reserves of this very necessary mineral. As Saskatchewan possesses such a large proportion of the Canadian supply, the inference is plain and unmistakable.

Municipalities Warned to Avoid Extravagance

By HON T. C. DAVIS,
Minister of Municipal Affairs in Saskatchewan.

We are just beginning to emerge from a period, the like of which we never hope to see again. We all well remember the terrific expansion which we enjoyed during the boom years 1910 to 1913. A period such as that was bound to have its reaction, and we certainly had the reaction. It was most regrettable that owing to that condition several of our communities got into difficulties, but it was merely history repeating itself. All other new countries which enjoyed a period of such remarkable development experienced the same conditions. The wonder is that there were not more in difficult circumstances. In my opinion, in the cases where difficulty was encountered it was unavoidable after the debts had been incurred. There could be no other result. Debts were out of all proportion to the capacity to pay. Most happily, by mutual agreement between all parties concerned these difficulties have been solved, and I presume that the settlements were fair as they were voluntary and mutual. It has been several years now since any municipality has found itself in difficulties, and I am glad to be able to state that this year, the last of the necessary settlements between municipalities and their creditors has been completed. We must not forget that municipalities must be like individuals and pay their obligations to the limit of their capacity. The creditors remembering of course that the municipality must live and carry on if its problems are to be worked out.

At the present time every indication points to another period of rapid development, although, of course, not on the same scale as that which we witnessed. Let the past be ever held before us as a warning for the future. With our past experience there should be no justification or excuse for a municipality to make the mistakes which were made by the unfortunate ones in the period to which I referred.

The reports of the municipalities of Saskatchewan show that conditions now are in a very healthy state The amount of capital repayments last year far exceeded the borrowing which certainly reflects a very healthy condition. In many of our municipalities their debts have been wiped out entirely. In some municipalities last year there was no tax sale held, and there were no properties in arrears for taxes. I am speaking now of all municipalities, urban and rural.

The major credit is, of course, due to our municipal councils and municipal officials who have so sanely and wisely conducted our municipal affairs during the last few years, but I feel also that a great deal of credit is due to our Local Government Board, which has been such a steadying influence during the last few years. I can speak with some knowledge on this score as I have had dealings with it.

It is interesting to note also that the sinking funds of the province are in such excellent condition and bespeak such careful management by your sinking fund trustees. The trend of the money market shows that interest rates are on the decrease and interest returns on sinking fund investments are now getting perilously near the 4 per cent. requirement. It is also interesting to note that there is an increasing absorption by our Saskatchewan people of our own debentures. Last year in this province about two-thirds of the total issue of debentures were purchased right in the province. Given a few years of returning prosperity we should be able to absorb an ever-increasing amount of our own debentures. I do not suppose that the day will come for some considerable time when we will be able to do all our own financing, but we are happily approaching that goal. It certainly is an indication of our increasing wealth and prosperity that a province, only twenty-one years old, just emerging from a most terrific period of depression, can finance two-thirds of our own municipal and school issues.

Let me strike a note of warning for the future. The last period of expansion resulted in our cities, towns and villages, spreading out to a size out of all proportion to our requirements. This resulted in sparsely settled communities, with a constant demand for public improvement out of line with population. Let us now during the period of expansion which is coming to us, consolidate the positions which we have attained. Let us build up what we have and increase the density of our population. This will solve in a large measure many of our problems. Above all, keep the past ever in our memories, and never make the expenditure of one dollar either on capital or revenue which is utterly and absolutely not essential.

In conclusion, let me make just one more suggestion. Let us in the next few years devote a little more time and energy, when we have the opportunity, of beautifying our communities. We have had little time for thought along these lines during the last few years. Let us have behind us municipalities whose financial statements it is a pleasure to look at, but also municipalities which themselves are a pleasure to look upon.

Year of Normal Progress in Life Insurance Field

Points from address of C. S. McDonald, General Manager, Confederation Life Assurance Association, speaking as President of Canadian Life Insurance Officers' Association.

General conditions in Canada appear to have improved considerably during the past year and this is reflected in the increased volume of new insurance.

Co-operation between different branches of life insurance service is bringing greater efficiency and consequent greater service to the public.

Campaign in Maritime provinces to reduce tuberculosis sickness and death ratio expected to prolong life.

Decision of provincial insurance superintendents to demand all insurance organizations be on an actuarial basis commended.

Taxation of public thrift by provincial levies on insurance premiums held to be unsound.

Provincial uniform insurance acts protested against as being unnecessary and causing conflict of interest.

Recorded that incidental accident and sickness benefits not subject to accident and sickness legislation.

Look for Swedish Migration

"Many emigrants can be brought from Sweden to Canada next spring if some assisting action is taken soon," says A. R. Mellender, secretary of the Swedish Colonization Board of Calgary, who is making representations in Ottawa to have the way paved for these Swedes who are desirous of coming to this country. The fact that the Swedish quota in the United States is filled for two years cuts off all chances of migration there.

TENDERS
FOR
DEBENTURES

The Town of Sturgeon Falls, Ont., hereby calls tenders for the following debenture issues:

By-Law No. 611—Sanitary Sewers, Local Improvements. $12,297.49. Term—30 years, 6%.

By-Law No. 618—Waterworks Extensions. $26,252.76. Term—20 years, 6%.

Legal opinion from E. G. Long, K.C., of Long & Daly, Toronto.

Tenders to be submitted to A. E. Blagdon, Town Clerk, on or before December 7th, 1926.

Dated at Sturgeon Falls, Ont., this 17th day of November, 1926.

THE WABASSO COTTON COMPANY, LIMITED

Dividend No. 36, and Bonus

Notice is hereby given that a Dividend of One Dollar per share on the Capital Stock of the Company, has been declared for the quarter ending 31st December, 1926, also a Bonus of Fifty Cents per share, payable on the 2nd day of January, 1927, to Shareholders of record as at the close of business on the 15th December, 1926.

By order of the Board.

JAS. R. RITCHIE,
Secretary-Treasurer.

Montreal, Que., November 11th, 1926.

THE BANK OF NOVA SCOTIA

Dividend No. 228

Notice is hereby given that a Dividend of four per cent. on the Paid-up Capital Stock of this Bank has been declared for the quarter ending Dec. 31, 1926, and that the same will be payable on and after Monday, the third day of January next, at any of the offices of the Bank in Canada.

The Stock Transfer Books will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board.

J. A. McLEOD,
General Manager.

Halifax, N.S., November 16th, 1926.

December Dividend Payments

SUMMARY OF PAYMENTS

Dividends	$19,495,258
Bond Interest	90,070,614
	$39,565,872

DIVIDEND PAYMENTS

	Rate	Date	Amount
Bel. Corti. pref.	1¾q	15	$15,142
Brazilian Trac., com.	1¼q	1	1,332,348
B.C. Fishing	1¼q	10	53,647
Can. Bakeries, pref.	1¾q	15	70,000
Can. Pac. Rly., com.	2½q	31	6,500,000
Crow's Nest Coal	1½q	1	93,189
Confed. Life	5	31	5,000
Cont. Oil	25cq	16	876,247
Dom. Rubber, pref.	1¾q	31	52,500
Dominion Life	4	31	8,000
Dom. Rad. pref.	1¾q	1	27,097
East. Koot. Pr. pref.	1¾q	15	13,125
Fam. Players, pref.	$2q	1	84,018
Good. & Worts	25cq	15	50,000
Hamilton Dairies, pref.	1¾q	1	13,125
Hollinger Mines	2m	2	492,000
Imperial Oil	25c+25c	1	3,257,120
Imperial Tobacco, com.	1¼q	.	484,149
Inter. Mill. pref.	1¾q	1	40,761
Iner. Nickel. com.	50cq	31	836,692
Lake Shore Mines	10+10q	15	400,000
Lake of Woods com.	3q	1	105,000
Do. pref.	1¾q	1	26,250
Loblaw Grocet. com.	25cq	1	18,000
Do. pref.	1¾q	1	10,837
London Life	4	31	4,000
London Loan	1¾q	15	15,600
McColl Bros., com.	40cs	1	36.00
Do., pref.	1¾q	1	17,500
McIntyre Mines	5q	1	199,500
Mont. Cot., com.	1½q	15	45,000
Do. pref.	1¾q	15	52,500
Montreal Loan	3q	15	18,000
Ogilvie Flour, pref.	1¾q	1	35,000
Ott. & Hull Power, pf.	1¾q	15	26,250
Port Alf Pulp, pref.	1¾q	15	70,000
Port Hope Sanitary pf.	1¾q	31	4,364
People Loan & Sav.	2¾s	31	13,750
Premier Trust	2¾c	31	4,400
Royal Trust	4	31	40,000
Vic. Rolling Stock	6s	1	14,400
Viau Biscuits, 1st pfd.	1¾q	1	17,500
West. Can. Flour, com.	35cq	15	30,187
Do. pref.	1⅝q	15	40,625
Volcanic Oil		10	75,600
			$15,624,423
Banks—			
Can. Nationale	2¼q	1	$137,500
Commerce	3+1q	1	800,000
Montreal	3+2q	1	1,495,835
Provinciale	2¼q	1	67,500
Royal	3+2q	1	1,220,000
Toronto	3q	1	150,000
			$3,870,835

q—Quarterly.
s—Half-yearly.
m—Monthly.

BOND INTEREST DUE IN DECEMBER

Company—	Rate	Due	Amount
Alberta Pac. Grain	6	1946	$105,000
Algoma Steel	5	1944	145,000
Barc Tr. 1st mtge.	5½	1974	287,404
Do., prior lien	6½	1965	442,864
Can. Rail & Har. Ter.	7	1945	70,000
Cawthra Apts.	7	1946	14,875
Can. Car. 1st mtge.	6	1939	116,691
Do., scrip.	6	1927	24,417
Can. Converters	6	1926	3,970
Cuban Can. Sugar	6	1936	42,000
Can. Pac. Rly.	4½	1944	675,000
Can. Paper, Ser. "A"	6	1945	60,000
Donnacona Paper	6	1940	86,145
Dominion Glass	6	1933	34,884
Four Hun. Ave. Rd.	7	1946	10,500
Gatineau Pr 1st mtge.	5	1956	625,000
Do., debs.	6	1941	375,000
Frontenac Brew.	6	1951	30,168
Imperial Tobacco	7½	1971	183,748
Loew's Marcus	6	Serial	10,320
K. Ed. Hotel deb. shs.	8	1963	134,000
Lake Sup. Corp.	5	1944	131,950
Montreal Steel	6	1940	14,655
North. Can. Power 1st	6½	1938	146,250
Do., Series "A"	6	1945	180,000
Ogilvie Flr. Ser. "A"	6	1932	30,000
Do Ser. "B"	6	1932	22,500
Do. Ser. "C"	6	1932	18,000
North. Utilities	7	1938	113,750
Mon. Wat. & Pr.	4½	1932	106,881
Do. 1st mtge.	5	1932	20,777
N.S. Tramways	5	1946	56,250
Prov. of Ontario	4	1939	70,000
Ottawa Electric	5	1933	28,125
Ottawa Mont. Pr.	6½	1949	48,750
Ottawa River Pr.	6½	1953	105,625
Que. Jacques Cartier	5	1931	21,225
Quebec Rly.	5	1939	228,775
Sao Paulo Trams.	5	1929	150,123
Shawinigan Wat. & Pr.	5	1950	165,000
Smith, H. Paper	6	1934	12,102
St. M. V. Corp. "A"	6	1945	187,995
St. Maur. Vall. Cot.	6	1952	67,566
Standard Chemical	5	1934	9,280
Shaw. Cotton	6	1949	29,040
Standard Clay	6	1942	18,384
St. Law. Sugar	6	1932	60,000
Trinidad Elec.	5	1931	18,000
Wabasso Cotton	6	1947	24,930
West. Koot. Power	6	1943	50,955
York Adel. Realty	7	1945	14,000
Corporation Bonds			$5,627,874
Municipal bonds			x3,400,000
Provincial bonds			x2,800,000
Victory Loan	5½	1927	1,744,523
Do.	5½	1937	6,498,217
Total			$20,070,614

x—Figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

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A Reliable Service in Listed and Curb Securities
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TORONTO GENERAL TRUSTS
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Established 1882
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INVEST YOUR SAVINGS
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The Great West Permanent Loan Company
SECURITY
Paid-up Capital $2,414,663.00
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GLASS of all descriptions
All kinds of flat glass available
For immediate delivery and in large quantities.
Case goods, fancy glass, wire inlaid, leaded, plain, striped or prismatic, colored, church glass, etc.
Also sole manufacturers
NON-SHATTERABLE PERFECT VISION BULLET PROOF GLASS
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Dominion Glass Company Limited

Notice of Dividends

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of December, 1926.

Notice is also hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of December, 1926.

The above Dividends are payable on Monday, the 3rd day of January, 1927, to Shareholders of Record at the close of business, Wednesday, the 15th day of December, 1926.

By order of the Board.

MERVYN OFFER,
Comptroller & Secretary.

Montreal, 18th November, 1926.

LAKE SHORE MINES, Limited

(No Personal Liability)

DIVIDEND No. 27 — BONUS No. 4

Notice is hereby given that a quarterly dividend of ten per cent., on the issued capital stock of the Company, will be paid on the 15th of December, 1926, together with a bonus of ten per cent., to shareholders of record at the close of business on the 1st day of December, 1926.

By order of the Board.

KIRKLAND SECURITIES, LIMITED
Secretary.

Dated at Kirkland Lake, Ontario,
November 17, 1926.

Barcelona Traction, Light & Power Company, Limited

(Incorporated under the Laws of the Dominion of Canada)

5½% First Mortgage Bonds

NOTICE IS HEREBY GIVEN that the half-yearly interest on the 5½ per cent. First Mortgage Bonds of the Company, payable in Pesetas, and due 1st December, 1926, will be paid on and after such date at the Office of Messrs. Arnus-Gari, 9 Paseo de Gracia, Barcelona, Spain, against production of Coupon No. 30.

Bondholders have the option of collecting the above peseta interest at The Canadian Bank of Commerce, 25 King Street West, Toronto, in Canadian currency at the current rate of exchange between Madrid and Toronto for the day upon which such coupons are presented for payment.

Bondholders who have not lodged their Bonds for the purpose of having printed thereon a Memorandum of the Resolutions passed at the Bondholders' Meeting held on the 25th June, 1924, and of the Supplemental Trust Deeds executed in accordance therewith, and for the purpose of having new Coupon Sheets attached, should do so without delay, as the above interest will only be paid against the presentation of the new form of Coupon.

DATED this 22nd day of November, 1926.

For BARCELONA TRACTION, LIGHT AND POWER COMPANY, LIMITED,

R. H. MERRY,
Secretary.

POSITION OF GENERAL MANAGER OPEN
in an old-established Paper Manufacturing Company situated in Montreal. Experience and first-class references essential together with a knowledge of Factory Management and marketing of the output. A man with some knowledge of the Paper business preferred. Applications stating age, experience and salary expected (which will be treated as confidential) may be addressed to
Sharp, Milne & Co.,
Power Building, Montreal.

When People Like These Endorse Government Control

—justifying their stand by such sound reasons, the proposal must possess real merit. They cannot all be wrong. Let their judgments help you in forming yours!

Sir John Aird, President Canadian Bank of Commerce, Toronto:

"Stress has been laid by prohibitionists upon the evil effect of liquor upon young people, and the claim is made that they will consume more liquor under the conditions proposed by Mr. Ferguson than under the O.T.A. If the aim of the prohibitionists is to strengthen the moral fibre of our youth, then in my opinion they are defeating their own object. Most of the young people whom I have had under me have occupied positions of trust, and have naturally been subjected to temptation. I have always found that to train a man to resist temptation worked out much more satisfactorily for all concerned than to try to devise elaborate means to remove the temptation from him."

Sir Alan Aylesworth, Toronto:

"I have been voting now for more than fifty years in parliamentary elections, and I have never given a Conservative vote, but I am going to do so this year, because I think that any measure of prohibition by law as opposed to prohibition by education is the very reverse of what I have always considered were the true principles of Liberalism. As well might one try to advance the interest of religion or of Christianity by legislation that would compel the people to go to church."

Professor Alfred Baker, University of Toronto:

"The O.T.A. has proved a failure, conceived though it was with the best intentions and administered by Attorneys-General who earnestly desired its success. It has not stopped the use of liquor; there has grown a contempt for the law; it has created a class of bootleggers who have been enriched beyond the dreams of avarice. Surely it is time to make a change!"

Hon. R. B. Bennett, K.C., M.P., Ex-Minister of Finance, Calgary, Alberta:

"Not only has the Alberta Act been declared to be legally valid, but in practice it does control the liquor traffic in that province. The best proof of what can be done is what has been done, and in the language of one of the judges of the Appellate Division of the Supreme Court of the province in which I reside—'I think the present Liquor Control Act a good and sound one, and has done more in the direction of temperance than any law we hitherto have had.' "

Lt.-Col. Arthur L. Bishop, St. Catharines, Ont.:

"No good can come from arbitrary and hysterical measures. The O.T.A. has proved unforceable even under two such dry Attorneys-General as Mr. Nickle and Mr. Raney, and where they have failed no one else will succeed. We are facing facts, not theories. I think Government Control should be given a fair trial in Ontario, as it has been in the West, and I believe the result will be equally satisfactory."

Col. Herbert A. Bruce, M.D., L.R.C.P., Toronto:

"It is not a question of "dry" or "wet"; it is a question of another Temperance Act against one that has been tried and found wanting. I consider Mr. Ferguson's proposal reasonable and enforceable, and therefore a great advance on the old Act. As such it should have the support of every one sincerely interested in furthering the Temperance cause and reducing the evils of drunkenness."

Police Magistrate C. H. Burgess, Peel County:

"My view of the matter is that the sale of liquor is out of control and is running wild (under the O.T.A.), and it is necessary to try to bring it under control again."

Rev. Father J. E. Burke, C.S.P., St. Peter's Roman Catholic Church, Toronto:

"It (the O.T.A.) has been no blessing. During the years it has been on our Statute Books the youth of Ontario, with singular and beautiful exceptions, has gone back. The terrifying increase in liquor amongst our boys and girls, even of tender years; the consequent deterioration of moral standards and conduct; the curse of the bootlegger; the conquest by strong liquor of our parents, our homes, our clubs, our students, our gatherings, have been begotten and thrived under the sway of prohibition."

Mr. L. N. Byrns, former Treasurer Sarnia Prohibition Union, Sarnia, Ont.:

"There are two questions before the electors in this campaign: (1) will we continue Government control under the Ontario Temperance Act, as we have had it for the last few years, whereby any person wanting liquor can buy all he likes from the bootlegger, or (2) will we have it controlled so that a person can only buy it through a Government commission house, where a person has got to have a permit to buy it, and then only a certain quantity at a time? I am not a staunch Conservative; I have voted Liberal when I deemed it wise, but will not this time."

Col. R. H. A. Carman, Belleville, Ont.:

"I am convinced the people have seen enough to lead them to decide they would rather have the distribution of liquor by Government regulation than by the unscrupulous bootlegger."

Hon. and Reverend H. J. Cody, LL.D., D.D., Toronto:

"The great achievements of the control plan, in my estimation, consist of the following: In the first place, people were no longer thinking and talking incessantly about getting a drink; in the second place, there was an overwhelming public opinion behind the enforcement of the Act where in the past public opinion had been strongly divided and illegal traffic had flourished because resorted to by a considerable section of the public; in the third place, bootlegging on a large scale was enormously diminished."

Draper Dobie, Toronto:

"Having voted Liberal in the last general election, and dry in the first two referendums, why have I decided to vote for Premier Ferguson's Government and policy? It is because Ontario wants more business and less taxes, more honesty and less deceitfulness, more breadth of education and less narrowness of parochialism, more self-respect and less fear."

W. J. Fair, Kingston, Ont.:

"When the late Principal Grant was at Queen's University he convinced me as probably no other man could of the pernicious evils of prohibition. Those like myself who remember Principal Grant, will agree with me when I speak of his far-seeing vision, his profound scholarship, and his true appreciation of human values. I believe prohibition is the blackest spot on the whole history of the Province of Ontario."

Clara C. Field, Cobourg, Ont.:

"Speaking from a woman's standpoint, I fear very much the result our present system of controlling the liquor question will have on the character of our young people, who are growing up in an atmosphere of reckless law-breaking and deceitful living. Will it be possible for them to have those feelings of patriotism they should have if they feel a contempt for the laws of their country? I feel I can certainly endorse Mr. Ferguson's policy as a sincere endeavor to solve a perplexing problem."

Sir Joseph Flavelle, Bart., Toronto:

"If the responsibility were mine I would not choose Government control as now stated as a reform for existing evils. I believe, however, there is a weight of public opinion which demands a change in the existing law, and which will not be set aside by the present hesitating body of public opinion for its enforcement. Therefore, with the elimination of the legal sale of liquors in public houses of entertainment, I accept the sale of liquors through Government agencies only, under a system of permits, as probably the best obtainable change enforcible under the existing state of public opinion."

Rev. T. W. Goodwill, Presbyterian Church, Cobourg, Ont.:

"I believe the O.T.A. to be a failure, but in this election campaign I regard the Act not as a political issue, but a moral issue; not a question of lack of enforcement but rather of impossibility of enforcement. I find conditions under the Ontario Temperance Act to be much worse than they were before. I believe that Premier Ferguson is making a sincere and studied effort to secure a law that will be observed and one that can be enforced."

Principal W. L. Grant, Upper Canada College, Toronto:

"As a total abstainer of twenty-five years' standing, as one who loves the young men of Canada and whose life is spent in doing his best for them, I am glad to align myself with Canon Cody, Sir Thomas White and Sir John Willison in support of the Prime Minister in his fight against the evils of intemperance and lawlessness."

David Griffith, Greening Wire Works, Hamilton:

"I travel twice every year through the whole of Canada. I know the extent of the bootlegging evil in Hamilton. I do not know that it can be worse in any other part of the Province. In the West you cannot hear any complaint with present conditions. In Ontario it is impossible to get away from expressed ridicule and disrespect for the O.T.A."

Mr. F. Barry Hayes, Pres., Toronto Carpet Mfg. Co., Toronto:

"My impression of prohibition is that whereas the country generally thought it would be very much to its interests, it has only resulted in making many of our citizens hypocrites and law-breakers. This is having a very bad effect generally. Drinking in our cities and larger towns has certainly increased to an alarming extent. I am not a 'wet', but I am not in favor of repressive legislation. The idea of making people good by statute is a delusion."

Rev. Father C. J. Killeen, Belleville, Ont.:

"I view with a great deal of concern the increase in lawlessness and crime that prohibition has engendered. It leads to a spirit of distrust. It is no use saying to the people 'You cannot have liquor.' Those who want it will get it. Fifty-one per cent. of the people cannot impose their will on the other forty-nine per cent."

Rev. John Lyons, M.A., Church of England Rector:

"After studying the situation I have become convinced that Premier Ferguson's policy is the best solution yet placed before the people of Ontario to adequately deal with the liquor problem."

Ven. Archdeacon Mackintosh, Dundas, Ont.:

"You never heard of the Prohibitionists of the Provinces which have Government Control asking for a change to what we call a prohibition law. It shows that they are satisfied with the law, and feel that it is useless to ask for a change."

J. C. Makins, K.C., Stratford, Ont.:

"In a very large percentage of the cases in my experience contested in court in these districts (Waterloo County and Windsor Border), perjury has been committed. This is one feature that our so-called 'temperance' friends seem to overlook. In this respect the cure seems worse than the disease."

Rev. W. G. Martin, Pilgrim United Church, Brantford, Ont.:

"No man, unless he is blind, can say with sincerity that the O.T.A. as a prohibition measure has been the success we hoped and believed it would be, when it became law. The more I consider the question the more convinced I am that the bringing about of prohibition, an ideal towards which we are all striving, and to which we are committed as men and women, eager for the best moral interest of the community and of the state, is a process of education. It is the responsibility of the home, the school, and the church."

D. L. McCarthy, K.C., Toronto:

"The Ontario Temperance Act has undoubtedly abolished the bar, but unfortunately, instead of having one bar in a hotel, we now have rooms in hotels converted into private bars."

C. G. McGhie, Vice-President, Welland Vale Mfg. Co., St. Catharines, Ont.:

"Not only labor, but the country as a whole, will be better under Government control. I strongly endorse the Ferguson policy."

Major-General the Hon. S. C. Mewburn, Hamilton, Ont.:

"I unhesitatingly state that in my opinion the policy of the Government control of liquor, as it is now stated by the Prime Minister, is sound and in the best interest of all the people of the Province. I have lately been in the Provinces of Manitoba, Saskatchewan, Alberta and British Columbia. . . . This is what I have learned. The people who were strongly in favor of prohibition will without any qualification whatever say now that since Government control of liquor has come into force they would never for one moment go back upon their present legislation."

Controller William Morrison, Hamilton, Ont.:

"There is more alcohol drunk in Hamilton now than at any time in the city's history."

William Mulock, K.C., Toronto:

"I have no hesitation in telling the people of Ontario that I favor Government control in preference to the O.T.A., and that I will support the policy of the Ferguson Government."

Mrs. Emily Murphy (Janey Canuck), Police Magistrate, Edmonton, Alberta:

"Before Government control became the law of Alberta I opposed it vigorously, both on the platform and by my pen. I was fearful that our last state would be worse than our first. It seemed only logical that if the restrictions were removed there would be more drunkenness and crime. No living person could persuade me to the contrary.

"After a period of several years in which I have been called upon to enforce the present Liquor Control Act, both as a city and provincial magistrate, I am bound to acknowledge that my fears were largely unfounded. There was not even a rush of inebriety as I had predicted, the people showing a remarkable degree of restraint. The condition was steadily improved—again I say, not from any degree of spiritual enrichment on the part of our people—but because the law was well conceived and is being well enforced."

Dr. G. J. Musgrove, Temperance Candidate in 1919, Niagara Falls, Ont.:

"Before 1916 we had 15 bars and liquor stores in Niagara Falls; now we have double that number of bootleggers. The Provincial Police and the License Inspectors have been very active in endeavoring to enforce the Ontario Temperance Act, but it is really impossible to do so. I am not only in favor of Mr. Ferguson's policy, but I particularly endorse the provision that no permit shall be given to persons under 21 years of age."

Mr. Paul J. Myler, Pres. Canadian Westinghouse Co., Hamilton, Ont.:

"As a large employer of labor I see no possibility of room for complaint in Ontario when a man shall be allowed a bottle of beer in his own house. Long experience with our men in this company is good enough for me on this point."

J. G. Notman, Vice-President McKinnon Industries, St. Catharines, Ont.:

"We have as much trouble now with our labor as we had before prohibition came into effect. There are the same Monday and Tuesday difficulties, but now they are due to poisoned alcohol. Our men would be much better if they could have good beer when they want it. Government control as they have it in the West is what we should have in Ontario."

Col. W. N. Ponton, K.C., Belleville:

"As a lawyer I know that the sad fact cannot be controverted, that in liquor cases under the repressive O.T.A. truth has lost its ancient power. The administration of justice has been honeycombed by perjury and the oath has lost its sanctity, despite the conscientious and able efforts of magistrates, Crown attorneys and police officers who have done their best to stem the tide of revolt. Where the law ends, tyranny begins. The O.T.A. is despotic, arbitrary and against the will of the citizens of Canada. A wise law is 'the State's collected will.' The O.T.A. never was. Under the O.T.A. we are all treated as children and weaklings and criminals."

Dr. A. Primrose, Dean of Medicine, Toronto University:

"They (the medical doctors) are legally permitted to issue a definite number of prescriptions each month, the inference being that the number of sick folk requiring alcohol should not exceed that number, and the doctor if he keeps within that limit is safe from adverse criticism. The present situation is intolerable. The medical profession must be released from such undignified servitude."

P. D. Ross, Publisher Ottawa Journal, Ottawa:

"Government Control has operated in several of the Provinces of the Dominion, and apparently without grave evil—at all events without such palpable evil as to suggest that prohibition is a necessity; certainly without such evil as is palpable under prohibition in the United States. It seems to me that the amount of public or private harm which the proposed Government control leaves possible need not compel any of us to interfere with the personal freedom of other people."

Dr. F. N. G. Starr, Toronto:

"Some over-zealous people tell us that Government Control does not work in the Provinces where it is being tried, but such is not my interpretation as I have found it. I have visited each Province where there has been a change, both under prohibitory measures and under Government Control, and the odds, to my way of thinking, are all on the side of Government Control."

Mr. Edward Tellier, former Liberal Member for North Essex, Windsor, Ont.:

"I do not look upon this as a party fight. I think we must all take off our coats and put Government Control over. I am for Government Control first, last and all the time."

Dr. J. A. Temple, M.R.C.S., LL.D., Past President Ontario Medical Association, Toronto:

"There is one fact that is very prominent in my mind and which I think might well be emphasized—that is the great increase in the use of narcotics in the last three or four years. The man who was addicted to liquor has switched in many cases to drugs. While there is always hope for the drunkard, it is almost impossible to cure the drug addict. The O.T.A. was much too sweeping in its provisions."

Most Rev. G. Thorneloe, D.D., D.C.L., Archbishop of Algoma, and Metropolitan of Ecclesiastical Province of Ontario, 1915:

"There is in human nature a sense of freedom which must be respected. All these considerations have to be weighed by the Government, and I have very great hope that the measures proposed by Premier Ferguson will be found, if carried out, to be a very great improvement on what we have been experiencing the past few years."

Sir Charles Tupper, Winnipeg:

"The reasons that convince me most firmly that Premier Ferguson's policy will prove a great boon for the people of Ontario are based on my observation of the great success of liquor control in Manitoba. Control in Manitoba has brought about the following three great improvements: there is less drinking by both young and old, particularly by the young; control has created a higher moral tone in the community at large; it has also brought about a decidedly higher respect for law."

L. A. Van Skiver, formerly Inspector Children's Aid Society, Picton, Ont.:

"I have been an ardent prohibitionist all my life. But in the discharge of my duties as Inspector for the Children's Aid Society I came across conditions that impressed me with their seriousness. In almost every case of destitution which came under my observation I found that bootlegging was the cause. I do not believe in changing my prohibition beliefs that I am taking a retrograde step. Prohibition means war."

Rev. Frank Vipond, Streetsville, Ont.:

"I am not afraid to express the conviction that the greatest enemies of Christian temperance, of sobriety, and of the upbuilding of strong Christian character have not been the breweries and distilleries, but official and fanatical prohibitionists who have been willing to make of the Christian faith a lesser thing than that of the Mahometan."

H. S. White, K.C., President Ontario Bar Association, Toronto:

"I am satisfied that . . . there is in the province no such thing as prohibition under it (the O.T.A.), for the simple reason that every person who wants liquor can get it without difficulty. I believe that the Premier and the Government have followed the only proper course open to them in asking the people for a mandate to remove our affliction from us."

Rt. Hon. Sir Thomas White, K.C.M.G., Toronto:

"That the Ontario Temperance Act is not capable of adequate enforcement, lacking as it does the strong support of public opinion, must by this time be clear to all who have given any study to the subject. The time has arrived to so amend it as to prevent and limit, as far as possible, the evils of intemperance under a system of Government control, having a firmer support of public opinion, and under regulations which will not lead to the evils which for the past seven years have been inseparably connected with the administration of the O.T.A."

Col. Rev. Cecil G. Williams, Dominion Secretary, Navy League of Canada:

"Should I steal, commit forgery or break any other law in Canada except that of the O.T.A., I am punished and upon my release ignored, until I have rehabilitated myself, by those who know me, because they are sympathetic to and upholders of the law. But if I violate the O.T.A. and am punished for the same according to law, I have the sympathy of my friends, showing that they hold the law in contempt. Very different is the treatment extended in the two instances. The law should be the same from coast to coast for individuals and all classes, and until it is I cannot see the righteousness or the practicability of the O.T.A."

Most Rev. David Williams, Archbishop of Huron and Metropolitan of Ontario, London, Ont.:

"It (the O.T.A.) has done more to encourage deceit and subterfuge, more to demoralize the youth of the country and to create a general disrespect for law than all the other causes combined during the ten years of its existence. Government Control, with individual permits, is the only sane system."

Levi Williams, Police Magistrate, Picton, Ont.:

"All my life I have been a temperance advocate. But when I saw not only how the law itself was being disregarded by people who were not addicted to law-breaking but by the actual perversion of the process of justice, I felt there must be some changes. I have been magistrate in Picton for 18 years, and what has struck me recently is the limits that people will go to perjure themselves when faced with charges of violating the Ontario Temperance Act."

Sir John Willison, Toronto:

"I was wholly unprepared for the unanimity of opinion expressed in favor of Government Control. Again and again I was told by those who had opposed the system and voted for prohibition in plebiscites and referendums that conditions were better under control and that they would not vote to restore the prohibitory enactments. No one suggested that bootlegging had been wholly abolished or that there was no unlawful selling or illicit drinking. They did insist that bootlegging was less common and less profitable, that the law was generally respected and enforced, that there was far less drinking in hotel bedrooms and more undesirable places, and that there was a greater degree of social contentment and no such feeling as under prohibition that flasks must be carried and a secret store of liquor provided for dances, house parties and like events."

Albert Whitney, brother of the late Sir James Whitney, Prescott, Ont.:

"The facts stare us in the face. When the Government dispensaries of this province are in receipt of a yearly revenue of something like five million dollars, and the bootleggers are profiting to the extent of some twenty-five million, it seems to me that it is time to call a halt, and ask ourselves in all seriousness if this whole business would not be in far better hands entrusted to a Government with the splendid business record of the present Provincial Government, of which the Hon. Howard Ferguson is head."

The above excerpts from letters, interviews and addresses are necessarily restricted, also limited in number, owing to lack of space.

VOTE CONSERVATIVE

FOR TRUE TEMPERANCE

Ontario Conservative Committee, 36 King Street East, Toronto.

Featuring the Prairie Provinces

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section 25-32 PUBLICATION OFFICE: TORONTO, NOVEMBER 26, 1926 Special Section 25-32

Prairie Provinces Have Come Forward at Rapid Pace in 21 Year Period

Two Million People in Western Canada Have Developed Enormous Productive Capacity Adding Greatly to Nation's Wealth

WHEAT ONLY ONE OF MANY GREAT RESOURCES

Through Trials and Discouragements, Alberta, Saskatchewan and Manitoba Have Climbed to Position of Enormous Importance in National Economic Life

ALBERTA and Saskatchewan have come of age. They were inaugurated as provinces in 1905. Manitoba has a somewhat longer history, but, like her sister prairie provinces, she has seen her great development during the same two decades. It is a time when the past and the present may very well be considered in relation to the future—when the developments which have taken place can perhaps be profitably analyzed as the basis of a forward outlook. And from any angle the situation must be regarded with both confidence and enthusiasm. To-day we find a vast area of proven agricultural production and assets in oil, precious metals, coal, pulpwood and other natural resources, the value of which can be only vaguely estimated. We find two million people producing a minimum average of 350,000,000 bushels of wheat a year and making a rapidly increasing showing in dairying, livestock production, and other varied branches of mixed farming, while industrial activities in relation to raw materials and the manufacture of many lines for which there is a convenient market are expanding in an almost equally remarkable way.

Twenty-one years ago the production of wealth in the prairie provinces was of relatively small importance.

For 1925 the value of field crops, other agricultural products and furs reached a total of approximately $860,000,000, while industrial activities accounted for an output of over $200,000,000. In addition, mines and fisheries represented $40,000,000 and tourist business, say $50,000,000. It is small wonder that, in view of such figures, conviction as to the great future of the prairie provinces has been built upon a foundation which cannot be shaken by temporary or local setbacks as the result of unfortunate weather or other conditions.

The career of the prairie provinces during the twenty-one years since the birth of the two younger members of the group of three has not been without its trials, its discouragements and its setbacks, but viewed in the light of to-day's accomplishments in the field of agricultural and other production, and of to-day's valuation of the natural resources, there can be nothing but pride and satisfaction.

The Trend of Development

During this period Saskatchewan has become not only the greatest wheat producing area in Canada but, from the standpoint of exportable surplus, in the whole world. The acreage in crop has grown from 2,000,000 acres in 1905 to about 22,000,000 acres in 1926, and more than half of this sown to wheat. But the growth of the wheat acreage and production has not been the only important development in Saskatchewan. During the period of the war there was a demand for more and more wheat and the price was raised to a level which encouraged the rapid expansion of acreage. Then came the slump in all prices for farm products. Many of the western wheat farmers found themselves with large acreages which multiplied losses rather than profits. As a result, there has been a gradual splitting up of the large farmers and the adoption of mixed farming methods with the object of putting what has been a crop investment on the basis of an all year yield. Saskatchewan to-day is supplying other provinces with horses, is exporting butter by the carload and is producing wool, eggs, honey, fruit, etc., etc., in important quantities. Manufacturing industries are developing on a moderate scale and serious attention is being given to the development of forest and mineral resources.

Mixed Farming in Alberta

Alberta has also seen remarkable expansion of her field crop areas, but in this province the agricultural developments have been more varied in character. The value of dairy production, which was almost negligible at the time the province was founded, has grown to a total of over $23,000,000. There are some 2,000 manufacturing concerns in the province with gross production valued at $60,000,000. Coal production has increased from less than 1,000,000 tons in 1905 to 7,000,000 tons, while the investment in coal properties has expanded to $50,000,000. The live stock industry has suffered changes, not all of them favorable, but it has become a very important factor in the wealth of the province. The big range areas in the south country have been cut up for farming purposes to a large extent and this has been a factor in reducing the range herds and increasing the production of more finished cattle. This cutting up of the range areas has been accorded considerable criticism because many of the farmers who have taken up the lands have found them unsuitable for crop purposes. Under these circumstanecs there has been an important movement looking to the development of irrigated areas and by this means considerable sections of the semi-arid lands are being made to produce profitably.

Changes in Manitoba

During this same period the older province of Manitoba has also experienced changing conditions in regard to agriculture. Not only has it been found that wheat alone is not a profitable crop, particularly as the value of land has increased, entailing larger capital investment, but the land itself in the older sections has been suffering from the one crop system. Under these circumstances mixed farming has been very generally adopted and has been a very important factor in restoring the agricultural prosperity of the province following the post-war depression. Manitoba has been making a scientific survey of her agricultural lands looking to the placing of settlers best suited to conditions and with the best prospects of success. The government has also been carefully studying the possibilities for the development of mineral and forest resources and has been making an industrial survey looking to the more extensive home manufacture of goods and materials consumed in the west. The survey not only indicates sources of raw materials but analyzes consuming demand and goes into the matter of power costs, etc., all to the end of locating industries in the province which can be successfully operated.

Western Premier

Premier J. G. GARDINER of Saskatchewan.

New Marketing Systems

One of the great revolutionary developments of recent years in Western Canada has had to do with the marketing of the crop. In this connection co-operative methods have been applied with a considerable measure of success. About 1910 there was established in Saskatchewan a co-operative elevator system, with the cognizance and assistance of the government, which had conducted a very thorough inquiry into the whole matter. This company became the greatest concern of its kind in the world. More recently there has been organized the Western wheat pool which now controls a very great portion of the western crop. It has taken over Saskatchewan co-operative elevator system and a similarly organized elevator system in Alberta and it may quite possibly also absorb the Grain Growers Grain Company which operates largely in Manitoba as a co-operative organization.

The wheat pool must still be regarded as an experiment. It has perhaps, justified itself from the fact that it came into being at a time when there was great dissatisfaction among farmers as to prevailing market conditions and gave them confidence to maintain their acreage when a reduction was threatened because of the feeling that the grower was not getting the profits to which he was entitled. It has found favor too, in the business community because it stabilizes the farmer's income and makes him a better manager of his own affairs. However, it is undoubtedly a fact that thus far conditions have favored the pool operations from the fact that prices have shown a rising tendency and the farmers have had evident benefits of the arrangement. What

(Continued on page 31)

Prairie Golf Adds to Western Attractions

Some years ago someone remarked in a lighter vein that golf should become a popular pastime in Western Canada because there was plenty of room to play the game. Whether this point of available territory has been any real factor in the situation, it remains that the great pedestrian pastime is becoming increasingly popular in the prairie communities. The Winnipeg Free Press recently pointed out that golf has invaded the towns, villages and even some farming districts and all classes and all ages in the community are playing. The Free Press sees in this development a new interest added to life, new friendships formed, new and healthy rivalry among the towns and villages and everybody happy.

DAIRY INDUSTRY OF PRAIRIES IS DECENTRALIZING

Tendency is to Have Small Plants Close to Source of Supply

CONTRARY to industrial tendencies in practically all manufacturing lines, the dairy industry of the western provinces, which in the past few years has taken a leading position in the Dominion, is developing in the direction of decentralization. While there may be a certain amount of danger in this development because it means more plants and increased overhead costs, some of the big men in the business feel that this is the way the business must grow, particularly in Alberta and Saskatchewan. The grading of creams, according to definite fixed standards, tends to take the product to the nearest manufacturing point and the establishment of local creameries is, of course, a very great incentive to increase local production. It is also becoming apparent that with the modern plants now being built at country points, the general quality of the finished product can be improved by manufacturing as close to the source of production as is possible.

The production of butter fat in each of the three prairie provinces has shown a very substantial increase in 1926 over 1925. This is remarkable when the value of the wheat crop in 1925 is considered, and this goes to show that the farmer of Western Canada has decided that diversification is necessary although the fact is perhaps not welcomed by a great many farmers.

From the viewpoint of marketing dairy products and other foodstuffs, 1926 will be a very unsatisfactory year. Industrial troubles in Europe have apparently very seriously affected the market and, as it is the only big market open to the exporters in Canada, the effect is felt to a very considerable extent. The U.S. market is practically closed to Canada owing to the twelve cent tariff and owing to our one cent tariff on butter from Australia and New Zealand, and the butter producer in Western Canada is in a rather awkward position.

There is, however, no evidence of lack of faith in the development of the dairy industry in Western Canada and the obstacles which are now facing the industry should in the near future be removed at least partially and the industry should develop, as it has developed, along sound lines. The manufacturers evidently realize that a fair price must be paid to the farmer if he is gong to produce cream and they also appreciate that they cannot pay the producer a reasonable price unless a good quality of butter is made, so that the Canadian butter may be able to compete on the United Kingdom markets with the best from other countries.

Western Premier

Premier J. E. BROWNLEE, of Alberta.

TREELESS PRAIRIE TO BE THING OF PAST

A Natural Change is Taking Place, According to Careful Observations Being Made

Mapping the spread of trees in the prairie provinces with the object of ascertaining the rate at which that spread goes on, is one of the latest activities in which Prof. V. W. Jackson, of the Manitoba Agricultural college, and other authorities on arboriculture, are engaged.

The mapping is being done in connection with a systematic campaign to have more of the prairies covered with trees than is at present the case and yet in no way interfere with agricultural development. With the exception of comparatively narrow strips of land along the banks of rivers, streams and lakes, the prairies were treeless up to the last century, according to Prof. Jackson.

So far, the spread of the poplar has been the most remarkable to be noted, according to Prof. Jackson. All through Saskatchewan "poplar islands" are forming and increasing in size, and it appears that the poplar spreads all the more rapidly as new land is broken for agricultural purposes. It is only a matter of a few generations until there will be no such thing as a treeless stretch of prairie of any great extent, Prof. Jackson states.

While the poplar is easily first in the way it adapts itself to the conditions of the prairies, satisfactory results are also being obtained with oak and elm. Acorns which have been sent to Beaver Lodge, Alta., and Red Deer, Alta., have germinated and the saplings give promise of developing into lovely trees. Elm seeds which have also been planted in Alberta have likewise germinated and as in the case of the oaks, the progress of the elm saplings is being closely watched.

MAY TAX GASOLINE IN SASKATCHEWAN

At this year's annual convention of the Union of Saskatchewan Municipalities discussion took place on the attitude the convention should take with respect to a gasoline tax in Saskatchewan. Saskatoon and Moose Jaw had both sent resolutions to the convention urging the imposition of a gasoline tax the proceeds of which, after provision had been made for a reduction in auto licenses, should be divided among the municipalities on a per capita basis for the purpose of maintenance of roads. The resolutions were sent to a special committee who reported that it favored the resolution calling for the imposition of the tax in the manner adopted in other provinces, to be collected by the provincial authorities and instead of being used for provincial purposes to be equitably distributed among the various municipalities after deducting a reasonable percentage to cover the cost of administration, and that the auto license fees be reduced materially.

The convention, as a whole, was of opinion that it did not have before it sufficient material to come to a decision in the matter and the resolution was finally referred to the executive for consideration and report at the next convention.

West's Record of Production

Agricultural Revenue
(Three provinces)

	1922	1923	1924	1925
Farm crops	$489,474,000	$475,047,000	$533,418,000	$741,000,000
Livestock	17,393,000	28,578,000	37,960,000	37,750,000
Dairy products	45,830,000	49,681,000	49,748,000	55,200,000
Wool	497,000	477,000	541,000	750,000
Vegetables, etc.	4,800,000	6,023,000	4,679,000	5,500,000
Poultry and eggs	18,724,000	18,132,000	18,092,000	19,530,000
Fur	88,000	153,000	161,000	180,000
	$576,806,000	$578,091,000	$644,599,000	$859,910,000

Industrial Revenue

	1920	1921	1922	1923	1924
Manitoba	$153,036,185	$103,057,112	$ 94,417,608	$ 97,334,531	$110,011,602
Saskatchewan	59,078,186	40,514,706	38,672,828	34,337,811	30,269,547
Alberta	86,540,264	58,570,805	51,509,887	54,337,801	67,565,979
	$298,654,635	$202,142,623	$184,600,323	$186,010,143	$207,847,128

Survey West's Unused Lands to Make Sure of Proper Settlement

Putting Farmers on Right Kind of Soil Aim of Effort

SCIENTIFIC FARMING

Sociological End Also Studied, and Schools and Hospitals Are Being Mapped for Colonization Work

FARMING in Western Canada has in recent years become more and more a business proposition requiring not only some scientific knowledge but administrative capacity. Following the slump in prices for agricultural products, which advanced to abnormal levels as the result of war conditions, there has developed the necessity for getting the largest possible production at a minimum cost if there is to be a satisfactory margin of profit.

As a basis for successful agricultural operations, it has become advisable and almost necessary that the land employed for various crops should be selected for its suitability, while areas which cannot be depended upon to return substantial yields, may best be devoted to other purposes. In all fields of the prairie provinces steps are being taken to apply scientific methods to production and to locate settlers on land likely to prove productive under the methods of which they have knowledge.

In Manitoba this work is taking the form of a definite survey of all unused lands. The method is to get detailed information regarding the crop or other possibilities of all areas which have not been settled upon as well as areas which have been taken up and have been for various reasons vacated. All land which does not form an integral part of a regular farm enterprise is regarded as unused for the purposes of this survey. Lands are being classified as to ownership whether it is bush, park or prairie, and rated as to its quality in relation to production. In addition special investigations are being made in areas where there appear to be special problems, and parties have been sent into an organized territory to investigate into the possibilities of agriculture settlement in new areas of unorganized territories. There are employed in connection with this survey in addition to the office staff three soil experts, four other practical agricultural experts with intimate knowledge of the conditions and two economists and sociologists. These men have been in the field obtaining first-hand information regarding the unused lands and enquiring into agriculture, economic and social conditions of settlers in the neighborhood. All this information is being tabulated and summarized and will be available for the purpose of scientifically directing agricultural settlement.

The main object of this new phase of agricultural development in Western Canada is to decide whether lands will successfully grow wheat, whether it is suitable for other crops, whether it has possibilities for the dairyman or whether it might be better left for grazing or development deferred for the time being. On the sociological side the location of schools, hospitals, etc., is carefully noted on the government maps and these as well as the nationality in the district are important factors in placing newcomers.

As the result of these agricultural surveys there should be reasonably prevented a repetition of many of those mistakes which have been made in regard to agricultural settlement in the past in placing immigrants in districts which were unsuitable for successful operation by the methods with which they were acquainted or where they would not find congenial surroundings or the educational or other facilities essential to their reasonable contentment.

Western Premier

Premier JOHN BRACKEN, of Manitoba.

Western Farm Brings $63,000; $42 an Acre

The largest farm deal in the history of the Nokomis district has just been completed. This covers the sale of Ed. Redford's farm, eight miles northwest of Nokomis, consisting of 1,508 acres. The purchase was made by a group of Mennonites, consisting of four families, who came from Dalmeny, Sask., and they take immediate possession, while Mr. Redford is moving to Chilliwack, B.C.

C. L. Campbell, real estate dealer of Nokomis, closed the important deal, which involved $63,336, or $42 per acre. This covered both the land and equipment and is on the half-crop payment basis.

SUGAR BEETS CREATE INDUSTRY ON THE PRAIRIES

New Crop Promises to Prove Boon to the Irrigated Districts

By T. GEO. WOOD,

Before Western Canada Irrigation Association, at Medicine Hat.

THERE is a market for home grown beet sugar in Western Canada. The sugar industry of the Dominion is a thriving one, as Canada is one of the largest consumers of sugar among the nations of the world. Sugar consumed in 1924 in Canada was about 830 million lbs. Of this consumption, however, only 86 million lbs. was sugar manufactured from sugar beets—all in Ontario or about 10 per cent. of the total consumption, the balance being imported and refined cane. In 1925, Canadian Sugar Factories, Ltd., a subsidiary of a large beet sugar company of the United States, commenced operations at Raymond, Alberta. producing at that point about 8 million lbs. of refined sugar during its campaign.

The tariff regulations of Canada have been very favorable to the refining industry, which can import raw sugar under the general tariff, at 50 cents per cwt. below the rate if imported for sale. The standard grade of raw sugar, imported from Cuba for sale, pays $1.79 cwt.; if imported for refining, $1.29 cwt., but if imported under British preferential tariff, for refining, only 29 cents per cwt. This has enabled Canadian refiners on the sea coasts to build up a large export business and to become the fifth industry in size in Canada. It is doubtful, however, if any large expansion in the sugar industry of Canada, outside of favorable areas, can come about under this tariff situation.

The Prarie Provinces, even under present conditions, provide a suitable opportunity for beet sugar. All their sugar as far west as Regina, is shipped from Montreal, and from Regina west, the majority of the supply is shipped east from Vancouver. In either case, heavy freight rates, due to long hauls, present an opportunity for home grown sugar to compete. The sugar imported by Manitoba, Saskatchewan and Alberta is their third largest import, costing approximately 10 millions of dollars per year.

The sugar beet industry if given proper support in the irrigated areas of Alberta can expand to provide this product at a lower cost to the people than they have paid in the past. Such a production of beet sugar would require six or eight factories and 60,000 to 75,000 acres of irrigated land.

It would occupy the labor of 5,000 farmers, 8,000 hand laborers, 2,000 factory workers, and would use each year: 125,000 tons coal, 1,500,000 sugar bags, 30,000 tons lime rock, 3,000 tons coke, 200 tons soda ash, 200 tons sulphur, with numerous requirements of other supplies.

Aid to Irrigated Areas

Irrigation areas need here, and need badly, just the help that sugar beets can give. Beets are a cash crop—and a guaranteed price crop, the only one which the Alberta farmer can grow at present. We pay in the fall a minimum price for sugar beets as set in the spring of each year with our best contract. Then later share with the farmer any margin accruing through better sugar content in beets or higher price realized for sugar sold, these payments being made subsequently as is done by the wheat pool.

Beets are a hoed crop, that is a weed cleaner. They are cultivated on the average of six times by machine, and hoed by hand—about four times, including thinning. Therefore, as a means of eradicating weeds the crop has no equal. Beets are a subsoiler—they will increase succeeding grain yields 30 per cent., because they leave the fields clean, in good tilth, and their feeding roots, rotted in the soil,

(Continued on page 27)

ALBERTA

the best of
THE GOLDEN WEST

Where Opportunities Await the Settler and Investor

ON September 1st, 1926, Alberta celebrated its coming of age. Twenty-one years of steady and consistent progress has marked the path of Alberta's development. Particularly in agriculture, the growth has been along approved lines, so that to-day, this great industry stands upon a firm basis with a confident outlook on the prospects of a great future. Twenty-one years ago the value of agricultural products was only $20,000,000.00; now it is over $256,000,000.00.

Grain Production

This year the province has produced the second largest crop of wheat in its history, the estimate being placed at 119,000,000 bushels on an average of 19 bushels an acre. Alberta's progress in grain production is indicated by the following figures on the increase in wheat yields over a period of years: —

1906	5,932,000	bushels
1911	36,602,000	"
1915	66,388,000	"
1920	83,461,000	"
1923	144,000,000	"
1925	102,955,000	"
1926 (Est.)	119,000,000	"

The average yields of wheat in Alberta over a period of 20 years to 1925 was 18 bushels an acre. This is a record of which any province may be proud, and compares most favorably with any of the United States wheat growing territories. The Wheat Pool which was inaugurated in 1923, has proved to be of inestimable benefit to the farmer in the orderly marketing of his grain.

Progress in Dairying

The success which has attended the dairy industry in Alberta has been phenomenal. The province now stands as the third most important in all Canada in this respect. In twenty years Alberta has developed a dairy industry that now has produced totalling in value more than $23,000,000.00. All cream is paid for according to grades, the grading being done by government graders. As a result, butter from Alberta has been raised to such a high standard that large exports are now being made to the world's markets. At the London, England, Dairy Show, held in 1925, butter made in Edmonton won the gold medal along with two highly commended exhibits in the colonial section. There are now 460,722 milch cows in the province as compared with 147,649 in 1911. A dairy pool has recently been established in the province for the marketing of dairy products and a livestock pool for the marketing of livestock.

The growth in creamery production has been as follows: —

1905	813,000	lbs.
1912	3,010,755	"
1915	7,544,148	"
1921	13,048,000	"
1922	15,417,000	"
1923	17,750,000	"
1925	19,500,000	"

Egg and Poultry Industry

The poultry industry, only in its infancy a few years ago, has made rapid strides under aggressive governmental encouragement. Packing plants operate cold storage equipment under government supervision. Of the 80,000 farms, approximately, in Alberta, 70,000 are reported as having poultry. An egg and poultry pool recently established has had a stabilizing influence on the prices paid to farmers for these products.

Coal Production

Alberta contains 14% of all the coal in the world. Next to agriculture, coal mining is the most important industry in the province and has an enormous future in the industrial development of Canada and adjacent states. The following figures on coal production speak for themselves: —

1905	931,917	tons
1909	2,174,329	"
1912	3,446,349	"
1916	4,648,604	"
1920	6,908,923	"
1922	5,975,744	"
1923	6,800,000	"
1925	5,883,394	"

Other Alberta Resources

Natural Gas — Natural gas exists in great reservoirs in many parts of Alberta, and is now being supplied to the cities of Medicine Hat, Lethbridge, Calgary, Edmonton, and several towns. This industry is destined to become one of the greatest in the province. The possibility of producing carbon black is being investigated.

Oil — There are two producing fields, one containing the richest producing oil well in the world, bringing in 15,000 barrels monthly of almost pure naphtha in the Turner Valley. In the Wainwright field, wells are producing 80 to 150 barrels a day of good crude petroleum. Other promising fields are being developed. Oil production for Alberta in 1925 was 169,432 barrels as compared with 148,821 barrels for the rest of Canada.

Tar Sands — These sands are believed to be of great economic value to the province in the construction of permanent roads. Various experiments are being made to determine the best methods of utilizing these wonderful deposits.

Clay Products — Deposits of clays and shales suitable for making brick and tile are found in several parts of the province. This industry at Medicine Hat has an annual output valued at more than a million and a half dollars.

Lumbering — Alberta has an active lumbering industry with about 60,000 square miles of merchantable timber. The pulpwood material is estimated at 270,000,000 cords.

Fish — The fish industry in this province is furnishing a valuable contribution to markets in Canada and the United States of America. This year, despite the long haulage, Alberta fish were eagerly sought after in the American markets.

Statement of Bonded Indebtedness

August 1st, 1926

Gross Bonded Debt at this date		$83,952,019.29
Less Sinking Fund at this date	$ 2,367,040.56	
Special Investment Fund	2,718,885.51	
Elevator and Liquor Advances	1,274,798.74	
Net Telephone Debt	22,115,486.10	
		28,476,210.91
Net General Bonded Debt		$55,475,808.38
Assessed Valuation of Land within the Province		$725,886,532.00
1925 Dominion Estimate of present population (Figures of recent Census not yet available)		645,700
Area of Province		255,285 sq. miles

GOVERNMENT *of the* PROVINCE *of* ALBERTA

EDMONTON - - ALBERTA

CABINET MINISTERS

HON. J. E. BROWNLEE — Premier and Provincial Secretary
HON. J. F. LUMBURN — Attorney General
HON. R. G. REID — Provincial Treasurer and Minister of Municipal Affairs
HON. GEO. HOADLEY — Minister of Agriculture and Health
HON. V. W. SMITH — Minister of Railways and Telephones
HON. ALEX ROSS — Minister of Public Works
HON. PERREN BAKER — Minister of Education
HON. MRS. IRENE PARLBY — Minister Without Portfolio

CROSSING ALFALFA AND SWEET COVER BIG STEP FORWARD

Saskatchewan Scientists Produce Plant to Fertilize Soil

SCIENTIFIC agriculturists throughout Canada and the United States are now following with close attention research work proceeding at the university of Saskatchewan into the production of a forage plant which apparently combines the advantages of both Arctic sweet clover and alfalfa while eliminating the less valuable features of each.

The research work began when Professor L. E. Kirk, in charge of forage crop work in the university's field husbandry department, discovered in a plot of Arctic sweet clover a number of strange plants, bearing evidence of being the result of a cross between Arctic and alfalfa. This was in 1924 and since that time the work has been proceeding quietly.

It will be a long time yet before any definite announcement can be made regarding the values of the new plant, but agricultural authorities at the university find some cause for optimism in the result of their research to date.

The far-reaching importance of the discovery is explained by Dean W. J. Rutherford, head of the Saskatchewan College of Agriculture.

From year to year, as the prairie soil is used again and again for wheat production, the nitrogen content of the soil, without which wheat production is a practical impossibility, is becoming more and more depleted. As Dean Rutherford expresses it, part of the nitrogen of the prairie soil is annually shipped east with the wheat.

Unless the nitrogen can be replaced, the great plains area, the name given by agriculturists to the wheat-producing areas of Canada and the United States, will eventually reach the stage where wheat can no longer be grown.

Leguminous plants have been enlised by the scientific agriculturists to replace the lost nitrogen. Legumes store up nitrogen about their roots and this nitrogen remains in the soil for succeeding plants of any species, including wheat, to use. Sweet clover and alfalfa, the supposed parents of the new plant which is the centre of interest in the forage branch at the university, are both legumes. Both can give back to the soil the precious nitrogen taken from them by wheat crops. The vital importance of legumes in the production of wheat is thus apparent.

Both Arctic sweet clover and alfalfa, however, have objectionable characteristics. Conditions of Saskatchewan agriculture make Arctic sweet clover preferable to alfalfa as a rotation legume, although wherever and whenever the latter plant can be successfully used in a crop rotation it is the better of the two, according to Dean Rutherford. Both alfalfa and Arctic, in addition to replacing nitrogen, supply excellent feed and pasture. Alfalfa seed is quite expensive.

IMPORTANT SOIL INVESTIGATION WORK

In Three Prairie Provinces Relative Fertility of Different Areas is Under Test

An investigation of the relative fertility of the different classes of soil in the Prairie Provinces and the classification of land according to the type of farming which it is best suited for, is being actively carried on this year by the three provincial governments in conjunction with the universities. This work was initiated three years ago, when it was decided that survey of this nature was imperative due to the rapid diminishment of available farm lands in close proximity to the railways and the need of more intensive cultivation of the land already occupied.

Since then quite a number of districts have been surveyed and the data gathered has convinced the government that when the work is completed and the known results put to practical use, the productive capacity of the prairies will be increased considerably. In 1901 the state of Illinois started similar work and by 1919 about 70 per cent. of the soil had been surveyed, or in round numbers approximately 25,000,000 acres. This investigation resulted in an increase in the annual yield of wheat of 3.2 bushels and 6 bushels of corn per acre. Converted into money this means an additional revenue to the state of about $30,000,000 per annum. It is apparent, therefore, that if such an undertaking means an additional revenue of $30,000,000 to Illinois, the Prairie Provinces will benefit to a much greater extent.

The results of these surveys will be threefold. (1) It will enable the farmer already on the land to know exactly what crops are best suited for his farm and the methods by which he can obtain the maximum yields. (2) The incoming settler will be able, by consulting the records, to know the merits and demerits of any parcel of land which he may wish to purchase and also the experience of his predecessors in that particular locality and how they were overcome. (3) Banks, credit companies and insurance companies will find the data invaluable assistance to them when making loans for the development of old and new farms.

Winnipeg and St. Boniface being the centre of the cattle trade of western Canada, it is not surprising to learn that the meat packing and slaughtering industry of Manitoba stands near the top of the big industrial groups of the province.

Why Manitoba Wants Hudson Bay Railway

By JOHN BRACKEN, Premier of Manitoba.

The question of the Hudson Bay Railway has been wandering in the wilderness and making politics for the last forty years. It was approved in 1909. The construction was started in 1911 by one government and continued by another until 1918. Ever since that time nothing in the way of actual construction has been done. Aside from the merits of the Hudson Bay Railway, it seems to me that the people of western Canada have a right to feel that their feelings have been trifled with by the several governments of Canada. When we remember that one single government started that plan, and that another government continued it, and that a third government, the Union government, continued it still further and completed it to within ninety miles of the Bay and then let it stop, is it any wonder that western people become suspicious of the motives that prompted the stoppage of the work? Personally, I think the continued 'bad blood' between this part of Canada and other parts of Canada is too big a cost to pay for the economy of five or ten millions to complete the road. There are those in the east who think the railway will never be any good. We in the west think differently. At least, we are sure of this, that if it is not completed after having gone so far, there is not going to be that unity of feeling between eastern and western Canada that ought to obtain.

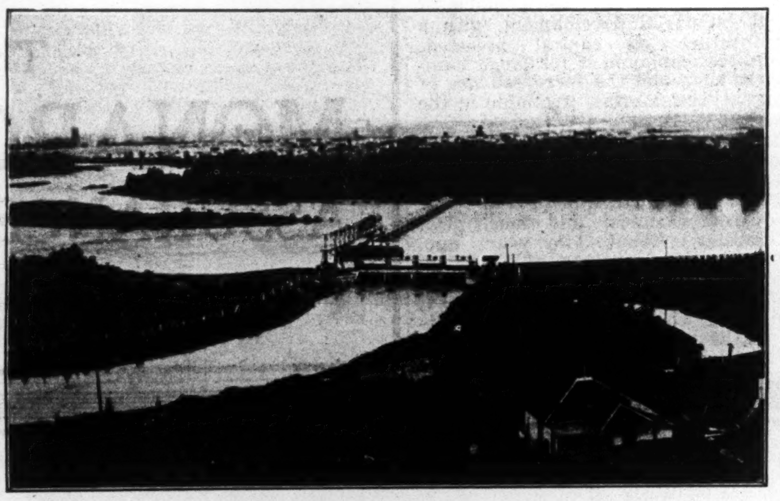
1,293,120 Acres Under Irrigation in Alberta

History of Development Goes Back to 1879 — Canadian Pacific Has Been Big Factor in Bringing Water to Arid Areas

IRRIGATION on modern lines in Alberta dates back to 1891 when considerable tracts of land were reclaimed by the use of the waters from Sheep creek. In the following year more extensive developments were undertaken and since then there has been a gradual increase in the number of irrigated farms, so that at present the irrigable area under the schemes in operation totals 1,293,120 acres.

The first attempt at irrigation in Alberta was made on Fish creek, about eight miles south-east of the city of Calgary, in 1879. Other attempts were subsequently made but none of the systems contructed at that time seems to have been successful. In 1891, however, Mr. John Quirk, by means of his scheme on the north fork of Sheep creek, demonstrated the advantages of irrigation, with the result that a number of schemes were constructed to supply water from that stream.

Irrigation Development in Alberta



View of Calgary and the Bow River showing the diversion weir which serves the project known as the C.P.R. Western Section. The main canal may be seen in left foreground.

Work on a larger scale was commenced in 1892 by the Alberta Railway and Irrigation Company and so prosecuted that the present canal system, now operated by the Canadian Pacific Railway as its Lethbridge section, is serving farmers on some 80,000 acres of land in the Magrath, Raymond, and Lethbridge districts.

By virtue of powers and responsibilities conferred by the Irrigation Act, the Department of the Interior has since 1894 carried out extensive surveys which have resulted in the construction of a number of large projects. The following table shows the projects now in operation or under construction in the province:—

Project	Source River	Irrigable Acres	Area Irrigated to date Acres
C.P.R. Lethbridge ..	St.Mary	130,000	81,110
C.P.R. Western	Bow	218,980	49,752
C.P.R. Eastern	Bow	400,000	93,375
Canada L. & I. Co......	Bow	202,640	10,174
Taber I.D.	St. Mary	17,000	13,863
Lethbridge Nor. I.D.	Oldman	105,000	45,016
United I.D.	Belly	36,000	7,230
New West I.D.	Bow	4,500	8,552
Raymond I.D.	St. Mary	68,000	......
Magrath I.D.	St. Mary	51,000	......

Many Industrial Schemes

In addition to these larger projects there are 496 small individual schemes within the province, for which water has been appropriated. The combined irrigable area in these smaller schemes is about 60,000 acres.

Following the success achieved by the pioneer schemes the Canadian Pacific Railway Company in 1904 commenced construction on what is now known as its Western Section.

The Canada Land and Irrigation Company controls 532,000 acres of land, of which some 200,000 acres may be irrigated when the entire canal system is completed. Construction of the headworks was started in 1909 and completed in 1912. There is a large reservoir in connection with this project known as lake McGregor which is situated forty-four miles from the point of diversion. Works have been constructed and are now in operation for serving 46,000 acres.

The first large co-operative project to be constructed under the provisions of the Irrigation Districts Act of Alberta was what is now called the Lethbridge Northern Irrigation district by which 105,000 acres lying to the north of the city of Lethbridge are now under irrigation from the Oldman river.

The second district to be organized the United irrigation district. Works have been completed and are now in operation. Water is diverted from the Belly River by means of a low concrete weir 6½ feet in height and 300 feet long. Ten miles of main canal and 163 miles of secondary canals and distributaries have been built in connection with this district.

A small district comprising 17,000 acres situated thirty miles to the east of Lethbridge has been operated since the fall of 1920. This is known as the Taber irrigation district but is in reality an extension of the Canadian Pacific Railway Company's Lethbridge Section and was financed and constructed by that company under an agreement with the settlers. Water under the Irrigation Districts Act was is delivered by the company to the system which is owned and operated by the district.

Another small district known as the Little Bow irrigation district centering around the town of Carmangay has been constructed. Water is diverted from the Highwood River into the Little Bow, the town of high River, and will be pumped from that stream by individual farmers for 3,200 acres. acres.

Certain lands lying below the main canal of the Canada Land and Irrigation Company, but not included in that project, have been organized into a district known as the New West irrigation district. Works have been completed and the dstrict is now in operation. There are 4,500 acres in this district.

Further Works Under Way

The Magrath and Raymond districts are now under construction. Like the Taber district these are extensions of the Canadian Pacific Railway Company's Lethbridge Section and are being constructed and financed by that company under an agreement with the settlers. When completed, 11,900 acres of new lands will be irrigated in the Magrath, Raymond, and Stirling districts.

SUGAR BEETS CREATE INDUSTRY ON THE PRAIRIES

(Continued from page 25)

provide humus and aeration for the next crop. While grain yields per acre in U.S.A. and Canada have declined or remained stationary, Germany, through the use of sugar beets in the rotation has increased yields to an average for the entire country of over 31 bushels of wheat per acre.

Beets Will Use the Irrigation Water

Sugar beets requiring three or four waterings and about twenty inch applications of water to the acre to make a crop, will put irrigation to full and profitable use.

Sugar beets will encourage immigration and colonization, by providing hand work at good wages for the new immigrant, until he is able to secure land on which to grow beets, by rental or ownership. Such small farmers, and we have already some in the Raymond district, will make good on 40 acres of irrigated land, thus reducing farm areas and giving greater population and intensive cultivation by our irrigation blocks.

Sugar beet by-products will prove valuable to the feeding industry in Alberta. Beet pulp is a great fattener of stock, but only available at a close radius from the factory. We place great hopes for the usefulness of Betalasses (beet molasses) as a concentrated sugar feed for the farmers and feeders generally of the province. This by-product contains over 50 per cent. sugar, combined with mineral salts. It is therefore a condensed carbo-hydrate food and also a stock tonic.

INDUSTRY FINDING PLACE IN PRAIRIE PROVINCE CENTRES

Industrialization of Western Provinces Proceeds Apace Now

THE industrialization of the western provinces proceeds slowly but steadily. A survey of industry in the four western provinces which brings the situation up to the end of 1924 has just been completed by the Dominion Bureau of Statistics. Probably the best index therein contained of the growth of manufactures in these provinces is the increased installation of primary power equipment. For 1923 this figure was 692,731 horse power, and at the end of 1924 it had risen to 798,674 horse power. In Manitoba the power equipment increased from 116,643 to 190,540 horse power; in Saskatchewan from 57,486 to 61,896 horse power; in Alberta from 110,796 to 110,882; and in British Columbia from 407,806 to 435,356 horse power.

Gross Value of Products Grows

There has been some fluctuation in the growth of industry in the different provinces. In some the number of establishments has declined, but in all the gross value of the products has increased. The capital investment has also risen in all provinces, but the total amount of wages has declined slightly in Saskatchewan and Alberta.

In Manitoba the number of establishments declined from 803 in 1923 to 768 in 1924. The capital investment in that province increased from $92,426,674 to $110,011,602. In wages there was a slight increase from $12,516,396 to $12,946,455. The gross value of the products in Manitoba in 1924 was $102,252,013 as compared with $97,334,531.

In Saskatchewan there was a falling off in the number of establishments from 647 to 645. Capital increased from $29,891,835 to $30,269,547. Wages declined slightly from $3,667,968 to $3,655,543. On the other hand the gross value of the products rose from $34,337,801 to $36,313,931.

Alberta Has More Factories

In Alberta there was an increase in the number of establishments from 723 to 739 and in the invested capital from $61,659,305 to $67,565,979. In this province also there was a small falling off in the wages from $7,491,028 to $7,382,303. The gross value of the products, however, rose from $54,337,801 to $65,245,361.

In British Columbia there was an increase in the number of establishments from 1,345 to 1,401; and in the capital investment from $216,619,970 to $251,051,877, The wages paid rose from $30,947,537 to $33,153,930 and the gross value of the products increased from $175,606,922 to $181,386,297.

Flour Milling on Prairies

The flour milling industry, as is not surprising, occupies the first position in the prairie provinces, while that rank is held by the lumber industry in British Columbia. The meat packing industry was second in Manitoba and Alberta; the dairy industry in Saskatchewan; and the fish packing industry in British Columbia. Third place was held by the dairy industry in Alberta; the printing and publishing industry in Saskatchewan; and the pulp and paper industry in British Columbia.

In Manitoba the chief industrial city is, of course, Winnipeg; while in Saskatchewan it is Regina; in Alberta, Calgary; and in British Columbia, Vancouver. In addition, however, to these larger industrial centres, there are in Manitoba six cities and towns which are being rapidly industrialized; in Saskatchewan there are seven; in Alberta five; and in British Columbia a round dozen.

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FINANCES: — Sufficient monies in treasury to complete first well.

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EDMONTON - - ALTA.

Old Farms for New Farmers on Prairies

Important Practical Work Being Accomplished by the Canada Colonization Association Co-operating With the Canadian Pacific Railway

By RALPH C. DUNCAN,
Assistant Manager Canada Colonization Association.

THE Canada Colonization Association is a subsidiary of the Canadian Pacific Railway; it is a non-profiting organization.

Immigration is the production of the settlers onto the shores of Canada. Colonization is the taking care of the settler after his arrival, keeping in mind the importance of having him located in a district that would be at least reasonably sure of his ultimate success, and also keeping in mind his qualifications, financial resources, and perhaps his desires as to provincial location, and the more important point of supervision until he becomes well established as a new citizen of Canada. This is our work!

We have settled since the middle of the summer of 1924 till August 31st, this year—practically a two-year period—1,394 families of various nationalities on 347,080 acres of land distributed about 55 per cent. in Manitoba, 20 per cent. in Saskatchewan and 25 per cent. in Alberta.

To accomplish our aim we must have three things:

(1) Settlers.
(2) Land available for settlement.
(3) Financial assistance.

Ninety per cent. of our work has been what we call "Group Settlement," taking care of the penniless settlers, and eighty per cent. of our group settlement work has been settling the Mennonites.

Mennonites Make Good

The reason we have settled more Mennonites than any other religious or racial people is three-fold:

(1) What we call the "Old Colony Mennonites"—those who have been here for a great many years—have established a reputation for efficiency in farming and economy in living. The newcomers, or what we might term the "Progressive Mennonites" have to that extent the advantage in our dealings with the large land owners:

(2) In lining up a large farm for settlement, we are ready to give possession immediately as the Mennonites are always here. They are continually coming through the ports of Montreal and Halifax, and through the Mennonite Colonization Board are billeted with other settlers in the various provinces. When a deal is lined up with the vendor, a group is formed and a deal is soon completed:

(3) The Mennonites, although individual farmers, are not averse to going in on joint and several contracts, working in co-operation at least until a percentage of the land is paid for.

We were able to sell the idea to several large farmers in the three provinces after a great deal of effort, that it would be in their interest in view of the labor situation to solve the problem by placing families on the land with a maximum acreage of 320, supplying stock, equipment, seed and feed, and in a great many cases living expenses for the first year, and taking in payment half crop share.

We have handled farms from 1,000 acres to 14,000 acres where the vendor was better able to finance the project than farm it economically, on account of the labor situation. It seems impossible to dispose of the very large farms on any other basis.

Strange as it may seem, we have propositions inspected and under way in the three provinces to take care of our incoming settlers until at least the end of the year. Our contract is a standard contract satisfactory to the vendor and to the purchasers, approved of by solicitors of both parties to the contract.

On a Small Commission

The Canada Colonization Association is a non-profiting organization, yet we collect in group settlement work 2½ per cent. commission of the total purchase price from the vendor, and hold these commission contracts as collateral for advances made to the Mennonite Land Settlement Board and other Immigration Boards with whom we deal. When these advances are paid the contracts are assigned to the respective boards.

There are two distinct phases of our settlement work:

(1) Closing the contract and getting the settlers in possession.

(2) The personal interest, moral support, weeding out the drones, taking care of the misfits, interchanging families to other locations where relationship would be more congenial, this work extending over various periods depending on each settlement placed.

"What percentage of the Mennonites you have settled have proven successful?" From the vendor's standpoint I would say 95 per cent. This does not necessarily mean that 95 per cent. of the personnel of the purchasers are there; but from the vendor's standpoint I think this is well within the mark—through our work as explained in the second phase of our activity.

For the very reason that we as an association are vitally interested in the ultimate success of our settlers, we buy the lands for the settlers; we do not employ high power salesmen, and I am frank to say that we hammer down the rate of interest with a view of having a standard of 5 per cent.

Excepting one deal, our maximum interest rate is 6 per cent., and I believe the average would be below 5½ per cent., and we think even if capitalization is to get a low rate of interest, this is absolutely necessary, as it is essential for the new settlers.

One mistake we make in thinking that quantity of signatures and larger groups was an asset to both vendor and purchaser. This has proven otherwise, for instead of an asset it is a liability. Let me cite you a specific case:

10,000 Acre Farm Sold

At Namaka, in Alberta, we rented a 10,000 acre farm to a group of 36 Mennonite families for the season of 1925, only for the reason that we were unable to recommend a sale at the price the vendors asked. The result was not very successful for various reasons. We were not discouraged. Re-arrangement of the group for 1926 was made, dividing the farms into three units of twelve families each—still on a rental basis. This whole tract has been sold to the group of 36 Mennonite families on the following basis: $42 per acre fully equipped, with separate contracts to each individual purchaser on lands selected and valued, with a guarantee of each and all of the twelve families as a guarantee to the vendor. This to us is a source of great satisfaction, and is what we are aiming at in the future, and what we are successfully accomplishing on the very large farms where we have been making adjustments.

Paper Mills Replace Burning Straw Stacks

Experiments Fathered by the Government of Alberta Have Indicated That Straw Paper Industry is Sound and Profitable

AUTUMN visitors to Western Canada have for years marvelled at the evident waste represented by the burning of huge straw stacks which every evening cast their reflected flames in circles around the prairie communities. This matter has not failed to receive the attention of those interested in the West's economic development. The government of Alberta through the Trade Commissioners Branch has for several years been making a study of the possibilities of the utilization of this straw. As a result of the study it was concluded that the manufacture of cellulose for paper making presents the greatest opportunity for development, and the largest use of what is now a waste product.

The manufacture of paper pulp from cereal straws dates from the beginning of the art. So far as known, it is the raw stock from which paper was first made. In the early days of the art, pulp for paper making was obtained from the cereal straws by simply the mechanical process of beating in water. Many of the chemical processes heretofore tried had the tendency to destroy much of the fibre, hence the recovery of pulp from wood gradually became the most universal material, especially for newsprint, primarily because of the abundance of material and the success by the chemical processes then discovered for the treatment of wood.

Esparto pulp is still made in large quantities in Europe, the grass from which it is made being imported from Spain and Africa. The yield of cellulose from this material, however, is not in excess of 35 per cent.

The increasing demand for newsprint alone has nearly exhausted the forest supply of the mills originally established in the United States adjacent to their raw material to the extent that the raw material supply in the United States is wholly inadequate at the present time to supply less than one-half (½) of the newsprint consumed there annually, requiring the importation of well in excess of 50 per cent. of their annual consumption, 85 per cent. of which comes from Canada.

Exhausting the Forests

The paper and paper products industry of Canada use annually upwards of five million cords of pulpwood. **This means that one million acres of forest lands are entirely denuded every year for the paper industry alone,** to say nothing of the lumber industry and the enormous inroads made into the timber supply by forest fires.

The development of plants for the manufacture of paper and paper products from waste straw is, therefore, a means to improve a national economic condition; has promise of great industrial development with a fair return on capital invested; profitable employment for large numbers of men and the increased use of many other materials available in the Province.

Investigations were made into all known experimental processes for the manufacture of pulp from straw, but none of these had been proven to be free from chemical and mechanical difficulties. About two years ago, through the courtesy of C. Price-Green, Commissioner of Natural Resources for the Canadian National Railways, who was himself interested in the utilization of waste straw, we were fortunate enough to be put in touch with the Bache-Wiig process, and made arrangements through the co-operation of the Forestry Branch of the Department of the Interior to carry out laboratory tests in the pulp and paper division of the Forest Products Laboratories, Montreal.

Practical Experiments

These laboratory tests were so satisfactory that it was decided to go more fully into the matter, and arrangements were made to instal in the laboratory a semi-commercial pulp plant, in order that pulp could be made on a scale which would make it possible to definitely determine the actual cost, under commercial conditions, of producing both pulp and paper, and afford the opportunity of comparing these costs with the costs of the manufacture of pulp from pulp wood.

The tests have proven that all varieties of paper and boards are capable of manufacture from straw pulp under this process, and have demonstrated that the quality compares most favorably with those produced from wood pulp. There was developed also under the process, an insulating board having a distinct advantage over anything at present on the market, in that it is surfaced, and can be used as a wall board; it is also both water and fire resistant. This material has met with the enthusiastic approval of architects and builders who have had the opportunity of seeing it.

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To the Investor

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2. The Assets of the Company, irrespective of Gas Fields, are over $14,000,000.00.
3. The Company's Gross Income, less Operating Expenses and Purchased Gas, for the twelve months ending August 31, is $592,369.00.
4. The City of Calgary is the business centre of the Province of Alberta, and the largest and most important city between Winnipeg and Vancouver. By reason of its location on the Canadian Pacific Railway Main Line and Canadian Northern Railway Line it has a commanding geographical situation. Calgary is also the gate-way to the Canadian National Park and the Banff-Windermere Road. Its many industries are in a flourishing and growing condition and include farming, ranching, meat packing, Ford assembly plant, oil refinery, flour milling, breweries, saddlery and leather goods, soap manufacture, etc., in addition to the Canadian Pacific Railway repair shops for Western Division being located in the city.
5. The Natural Gas rates are established and controlled by the Board of Public Utility Commissioners for the Province of Alberta.
6. The growth of the Company's business has progressed rapidly and at the present time has over 15,000 consumers and a Gross Annual Revenue of $1,158,000.00.
7. The Company is constantly striving for higher efficiency, good service, courtesy, and progressive public relations policies. It believes in CUSTOMER OWNERSHIP and the consequent community of interest between the Company and the public served.

Further Information Upon Application

The Canadian Western Natural Gas, Light, Heat and Power Co., Limited

215 - 6th Avenue West CALGARY, ALBERTA

Electric and Gas Demand Barometer of Business

Output of the Winnipeg Electric Company Reflects the Return of Better Times in the Metropolis of the Prairies

THE improved economic situation in Western Canada is reflected in the encouraging reports to hand from public utility, industrial and commercial institutions stretching all the way from Winnipeg to Vancouver. A true gauge of business conditions in the city of Winnipeg can always be obtained from the reports issued by the Winnipeg Electric Company which operates street railway transportation, gas and electric utilities in the capital city of Manitoba. Not since the beginning of the Great War has the outlook for this company been so promising as it is to-day. The earnings of the railway utility are steadily increasing, and a conservative estimate places the increase in street car riders in Winnipeg for 1926 over 1925 at 1,500,000. This increase is directly attributable to the improved business conditions which are so notable in Winnipeg to-day. The railway utility of the company experienced a constant falling off of traffic during the period from 1921 to 1924, but the upward trend started about the middle of 1925 and has been maintained ever since.

The largest increase in the company's business, however, is noticed in the company's electric utility, the generation of the electricity for the first nine months of 1926 showing an increase of about 16 per cent. over the corresponding period of 1925. "This increase is due to take an immediate rise with the bringing into operation of the large pulp mill built by the Manitoba Pulp and Paper Company on the Winnipeg River, and also by the opening of the new Hudson's Bay Company $5,000,000 store on Portage Avenue which was opened some time in October. The company has the contract for light and power for both these institutions. It is just four years ago since the Manitoba Power Company, a subsidiary of the Winnipeg Electric Company, started to develop power at the Great Falls plant and to-day 50 per cent. of the capacity of this plant—85,000 h.p. is being developed.

A. W. McLimont, president of both companies, makes a confident prediction that within another four years the plant will be developed to its full capacity, and in evidence of this he points to the fact that during the past nine months contracts have been signed for over $1,000,000 worth of power annually from that plant. Mr. McLimont has also announced that plans are being developed for another power plant of greater capacity than any of the power plants at present serving Winnipeg, and at a site sufficiently close to Winnipeg to permit of the economic transmission of power.

One of the factors which makes it necessary to provide for additional power is undoubtedly the negotiations which are being carried on for the establishment of another pulp and paper mill in Manitoba, and the activity in the mining area close to Winnipeg. Two mining companies will commence producing very shortly, and in this connection Mr. McLimont anticipates that within fifteen months' time a large block of hydro electric power will be used for mining operations.

Discussing industrial activity in and around Winnipeg, Mr. McLimont points out that over $70,000,000 have been spent in construction activities during the past four years.

Gas For Industries

The gas utility of the Winnipeg Electric Company is likewise sharing in the improved business conditions; the send-out of gas showing an increase in volume of between 5 and 10 per cent. For the past few years the company has intensively developed the sale of gas for industrial purposes, and the possibilities for further development in this field are very great.

During the years from 1921 to 1924, when Winnipeg, in common with other cities in the West, was experiencing a period of depression, the Winnipeg Electric Company, under the direction of Mr. McLimont, maintained its property in first class operating condition, and made preparations to handle the increased business, once the depression lifted. So that to-day the company is well equipped and prepared to take care of its expanding business in all three utilities.

The company still has an abundant supply of hydro-electric power available; it has a transportation system—the franchise for which has been extended from 1927 to 1932—adequate for the growing needs of the city; and it also possesses a new modern gas plant, equipped with Kopper's coke ovens which not only permit a more economic production of gas, but also gives the company facilities for taking care of the steadily increasing business.

Wheat King Produces New Potato for Canada

THE Right Honorable the Lord Mayor of Manchester, Councillor Miles E. Mitchell, has been a busy man the past few months. In addition to the duties of his high office, Manchester this year held a great civic week and celebrated with historical pageants, public services, with music and sports and public parades the glories of England's Northern Metropolis. A few weeks later Manchester entertained the Dominion premiers and conferred upon them the freedom of the city, and Lord Mayor Mitchell took the leading part in the ceremonies connected with these important events in the life of a city which has taken such an influential part in shaping the policy of Britain and extending the principle of freedom throughout the Empire.

In the meantime his younger brother, James C. Mitchell, of Dahinda, Saskatchewan, has been equally busy and perhaps as usefully employed in his own sphere, for Canada's wheat king has just given the Dominion a new potato, "Mitchell's Excelsior," which may become as famous in the vegetable field as Dr. Saunder's "Marquis," an improved strain of which won the world's prize for Mr. Mitchell three times, and may win him the same honor again, as he is sending a very fine exhibit to the Chicago International where the leading wheat growers of Canada and the United States have their annual battle for supremacy.

No Perfect Potato Yet

Canada has scores of potato varieties, but so far the perfect potato has yet to be discovered. However, those who have seen and tasted the new potato believe that it marks a considerable advance over any variety grown in the West. It bears a stronger resemblance to the popular Irish Cobbler than to any variety, but the Irish Cobbler is handicapped by having very deep set eyes which makes it unpopular with the thrifty housewife, as it is difficult to peel without sacrificing some of the meat along with the skin, and Mitchell's Excelsior has very shallow eyes. It is even mealier than the far-famed Cobbler and epicures who have had the pleasure of sampling the new potato declare that it has a rich and delicate flavor peculiarly its own. While a white-skinned potato, it tends to more of a russet color than its relative and nearest rival, the Irish Cobbler, and a distinctive difference is that while the Irish Cobbler has a purple flower, Mitchell's Excelsior has a white blossom.

Potato Wins Prizes

Mr. Mitchell has been growing this potato for sixteen years, selecting, rejecting, roguing, and standardizing the variety until he was satisfied that he had a high yielding, comparatively early, fine-flavored, medium-sized potato that was exactly what he wanted for his own table. It has been so popular in his own neighborhood that this year he decided to make it available to all Canada and the first step was taken recently at a meeting of the Saskatchewan Seed Growers' Association to register Mitchell's Excelsior. From the evidence laid before them the Seed Growers' Association were satisfied that Mr. Mitchell had submitted to them an entirely new variety of potato, possessing many attractive qualities. The next step in the registration process was taken by the Seed Growers, who have now approved a recommendation to the federal minister of agriculture that this potato be recommended to the Dominion Botanical Branch for certification. The next and final step will be, should the result of experiments with the potato on the Dominion Experimental Farms come up to expectations, to apply to the Canadian Seed Growers' Association for registration, in the same manner as Marquis and other registered standard grains are registered. At its first introduction against the keenest competition on the continent, Excelsior won third prize at the Toronto Royal, and Mr. Mitchell hopes to get to first place against all comers next year.

Winnipeg Has 1,200 Factories

There are in Greater Winnipeg approximately 1,200 factories producing commodities for the consumption of the people of this city and the West. The

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A Business Man Goes Farming

Business Principles a Great Help But Experienced Management is Essential to Success

By W. V. NEWSON,
Deputy Provincial Treasurer of Alberta.

WHEN the successful business man answers the age-old longing to return to the simple life of the soil, even if it be only as a hobby, his business experience will be of great assistance to him in the somewhat troublesome situation he has created for himself.

Other things being equal, business methods applied to farm management, as to most things, secure better results than if no such system is used, but alone they are not sufficient. This is especially true in the case of the non-resident farm owner, who as a business man adopts farming as a line supplementary to his usual work.

Many wealthy men, of course, take up farming without any idea of profit in mind. Perhaps they have been brought up upon farms and the urge to return to the land is insistant. They can gratify this desire without having to consider the farm purely as an investment. There is too an almost irresistible glamour to farm life (in the abstract) among men who have followed the monotonous routine of the office, shop or factory. They visualize an ideal farm with sleek cattle and sheep and other stock in lush pastures, and themselves perhaps as country-gentlemen, who, while reaping a fair profit from their broad acres, are at the same time able to make occasional visits to their property and enjoy the prospect of maturing crops and thriving herds. This is the picture, but the fact is apt to be something quite different, for the profits have a habit of disappearing from the scene, and the romance and pleasure vanish soon after.

Many indeed operate model farms for their own pleasure, and at the same time may do some good to the local community; and there is nothing more wholesome or praiseworthy, since it combines clean diversion with real service. There are few, however, who can indulge a fancy for this kind of philanthropy.

Business Principles on the Farm

The question then arises, "Why may not business principles work out on the farm?" The answer is that farming is more than a business. It contains many speculative features that cannot be eliminated. It demands a miscellaneous knowledge that one may do without in other pursuits. To make a success of it the absentee farmer must hedge and insure in all kinds of ways before he can make a profit. If he can make a profit equivalent to the interest he would draw from a first-class bond, he has to be a man of many parts. He will have to scheme and plan and acquire knowledge of men and mechanics in addition to the theory and practice of agriculture and of business.

One may contend that it is an easy matter to buy a farm, stock it with animals and machinery, and put an experienced farmer in charge. This, however, is only the beginning.

Answer is in Management

The kind of farm bought and the type of manager engaged will make or mar the enterprise. He may select a farm in a good district with the right kind of soil and an adequate rainfall; the water supply may be ample; it may be close to elevators and schools; outside the intense hail belt; the racial character of the neighborhood may be the best. In short, it may have all the essential requirements of a good farm, but there will still be the unavoidable risks that go with farming. There will be occasional hail. There may be drought, frost and snow at unseasonable times. No farmer can forecast with any accuracy what the results of a year's operations will be. There will be too, the personal element of management and help. This last is the most important factor of all to the absentee farmer.

There are many types of managers. There is the good, practical man, who serves you well for a few years, then leaves to buy a farm of his own. There is the improvident but honest and well-meaning type, who understands practical farming, but always requires close personal supervision. In one case in the experience of the writer, this kind of man lost $3,000 for his employer by trying to put up a few extra tons of marsh hay when he should have been cutting his wheat, with the result that the wheat had to be sold at 75c. a bushel for a number four or five sample. If it had been threshed before the snow came, it would have been No. 1 Registered Seed, and worth twice as much per bushel. Then there is the dishonest bailiff that has but one idea, to get as much out of the boss as possible by all manner of means. He will threaten to leave at awkward times, if his salary is not raised. He can steal thousands of dollars' worth of grain and stock on a large farm, and one might not be able to get evidence enough to convict him. To one of these, all missing stock have died, and all shortages of grain have been fed to stock. If he is suspected, the cheapest course is to dismiss him rather than to prosecute, as he probably will have no assets that can be located.

Do Not Mine Land

Dealing with the speculative side of farming, the most extreme case is when the soil is mined year after year for wheat alone. This practice is seldom followed by the true business man, since his first instinct is to insure himself against loss by whatever means may be. He is content to make a small profit if he can get it every year. Mixed farming, therefore, is his best insurance. In this way he sets off one farm product against another, so that a failure in one line will be counterbalanced by success in another. It is seldom that all branches of farming meet with the same misfortune. For example:

A wet fall may reduce the grade of the grain to such an extent as to take all the profit from grain; but on the other hand, it will benefit pasturage and green feed crops; his livestock will thrive, and winter feed costs be reduced. The one who consistently practises diversified farming, therefore, is seldom in need, while the one crop may pass from affluence to poverty in alternate periods of luck—beef is on the menu one year and gophers the next.

A man successful in one line of business is sometimes able to succeed in another, but it is usually the case that his ambition is quite satisfied if he is able to make his way in the one in which he first established himself. He knows that from the ground up. It is a rare thing to hear of the same man mastering more than one business. Such industrial versatility is only found among supermen. If a man chooses farming as a business, it should be his only business. I think it will be conceded that here he will find full scope for whatever knowledge and talents he possesses. Brains will be more important than brawn, bnt he will have to have a wide enough knowledge of farming operations (both practical and theoretical) to give intelligent orders to his assistants, and to know when his plans are properly carried out.

There are, of course, well-to-do farmers in every community, who know nothing of business. They succeed in spite of this lack, but their margin of profit perhaps suffers on that account. For example: An elevator agent relates a story of a farmer to whom he had paid a cheque of several thousand dollars for grain. After the cheque remained outstanding for a year or so, he asked the farmer what he had done with it, as it was still outstanding. The answer was: "Let me see now,—What pants did I have on that day?" The man must have had some money to spare, or he would have used this cheque at once. He was probably a good farmer, but he was certainly a poor business man.

Big Scale Farming

"Why is it that farming on a very large scale usually meets with disaster?" That is an interesting question. One can easily make a million dollars in poultry or strawberries—on paper. In practice, however, Providence sometimes introduces new laws that usually have to do with subtraction and division, while only addition and multiplication had been used in his theorizing. The unit acreage which any farmer can work most profitably varies directly as the character of the farmer and the geography of the district. But assuming that there is such a unit, then his success will be jeopardized in proportion to the number of extra units he attempts to cultivate. The reason, of course, is that the farmer himself is the indispensable nucleus of each unit, and his organization revolves around his own capabilities. If he attempts to manage multiple units, he must employ additional foremen for each, and while it is difficult enough to get one capable assistant, it is next to impossible to find many. Then there is the problem of help. In a single farm a few men suffice and can usually be obtained at short notice. But since the personnel of hired help is continually changing even on the small farm, the problem will be greatly aggravated when a large number is involved. With a large equipment, it is imperative to keep it moving. This is not always possible in farming, since weather conditions sometimes lead to long periods of enforced idleness. The complexities of the labor problem is multiplied in a ratio larger than the number of units. Furthermore the capital invested in the very large farm, especially if it is borrowed capital, is more of a menace. The creditor has more at stake, and is inclined to foreclose sooner, if the current liabilities are not met promptly. All the hazards of the farm are multiplied, and instead of having one game to play, he concurrently has to carry on many games, his opponents being represented in the different elements that are to be met with in each farm unit.

The business man in agriculture will need all his business acumen, considerable knowledge of farming, and sufficient financial margin to tide him over the lean years. With these resources he may make a fair return on his investment.

Manitoba's Sand Supply

There are three sandstone horizons in the province from which sand is available: First, the Winnipeg sandstone, on Black Island, Park Island, Grindstone Point and Elk Island in Lake Winnipeg, and at the north end of Runninghouse Lake; second, the Dakota sandstone, on Swan River, Red Deer River and other points in northwestern Manitoba; third, the Foxhill sandstone, near Boissevain in southwestern Manitoba. There are as well the widely distributed sands of post-glacial age, found in ridges and hummocks at the surface, as eskers, outwash deposits and beaches, from which, at the present time, practically all the sand is obtained which is used throughout the province.

LETHBRIDGE

is the largest city of Southern Alberta. It is the central city of over 200,000 acres of irrigated land, the largest settled and productive area of irrigated land in Canada.

The recently built Million Dollar Beet Sugar Factory a few miles south at Raymond is indicative of the progress and diversification of farming in the Lethbridge district. The success of the Beet Sugar Industry will in all probability mean that another factory will be built close to Lethbridge in the near future.

The coal production of the Lethbridge District is 2,500,000 tons annually, the mines being either in or within eight miles of the city.

Wheat shipments for 1925 from the Lethbridge District amounted to 23,500,000 bushels which will undoubtedly be exceeded this year. Lethbridge is the largest wool shipping point in Canada.

Lethbridge is one of the most important points on the Trans-Canada Red Auto route and at the cross roads of this route and the main North and South (Black) auto road of the Province. The city is supplied with natural gas.

Lethbridge is the gateway city to the Waterton National Park where the new Million Dollar Bungalow Hotel is now being erected by the G.N.R.

Lethbridge is the natural distributing point for Southern Alberta.

For further information apply to The Secretary, Board of Trade, Lethbridge.

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Flour 10,000 Bbls.
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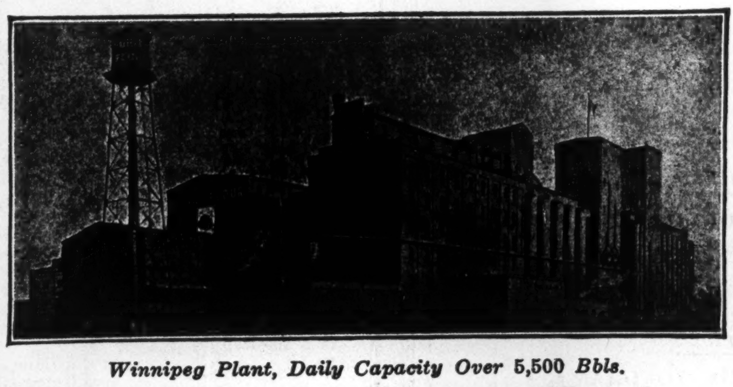
100 interior elevators favorably situated throughout Western Canada's famous wheat belt



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—*"THE BEER WITH THE REPUTATION"*—

It's been the favorite of the west for 35 years, and is still the popular beverage.

—ALSO—
Calgary Dry Ginger Ale,
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CALGARY BREWING & MALTING CO., LIMITED
CALGARY — ALBERTA

MAKING CORDAGE NEW INDUSTRY ON PORTAGE PLAINS

Prairie Hemp is Basis for Twine and Kindred Products

THAT the Portage Plains in Manitoba are eminently suitable for the growing of hemp has been amply demonstrated by the four or five hundred acres of hemp cut this year. The hemp has been grown as a result of the activities of the Manitoba Cordage Co., and is required as the basic material from which the company will manufacture twine and other kindred products.

Practically all that has prevented the company from actively engaging in the manufacture of twine and cordage prior to this has been the lack of the basic material. The advantage Manitoba offers to the new industry is the fact that ample supplies of the raw material can be produced within a reasonable distance from the point of manufacture. This, of course, had to be proven, but the experience of the last two seasons, and particularly the recent season, has demonstrated quite fully the suitability of Manitoba's soil for hemp growing.

Grown in Many Areas

This year's crop, approximately 600 acres, is not all in one locality. The bulk of it is on the Portage Plains for the reason that the company's factory is situated at Portage la Prairie and the hemp can be transported economically right to the door of the factory. However, 100 acres of hemp were also grown at Morris, and smaller areas at Clandeboye, Roland, Elm Creek, Carberry, Neepawa, Langruth, Oak Point, and also close to Winnipeg, the idea being to demonstrate the fact that hemp will grow in practically any part of the province. Reports from these various districts all indicate a good strong growth, and apparently there is not likely to be any difficulty in arranging for an ample and permanent source of supply.

The provincial government is keenly interested in this new industry and actively helping in the field work. From comparatively small quantities of hemp grown in the last two or three years, samples of various kinds and sizes of commercial twine have been manufactured, indicating a superior quality of cordage from the home grown product.

The Manitoba Cordage Co., Ltd., is a western concern, capitalized at $200,000. The directors are A. E. Grassby, president; R. H. Webb, vice-president; D. A. Wood, hon. secretary; E. F. Hutchings, J. M. Carruthers, A. O. Marrin, W. T. Kennedy, E. E. Hall, while the general manager is H. Wilson, for many years managing director of the Belfast Rope Works, and an authority on the manufacture of cordage. He has assistance in his sons who have practically spent all their lives in the industry.

The plan of operation so far has been for the company to import the hemp seed, which is advanced to the farmer. A field man in the joint service of the provincial government and the company chooses the land and satisfies himself that it is in a proper state of cultivation. The farmer is then advised as to the proper time to reap the crop and as to the length of time necessary to leave it on the ground to ret. Crops on the Portage Plains ran all the way from six feet in height to ten feet and over.

Cutting by Tractor

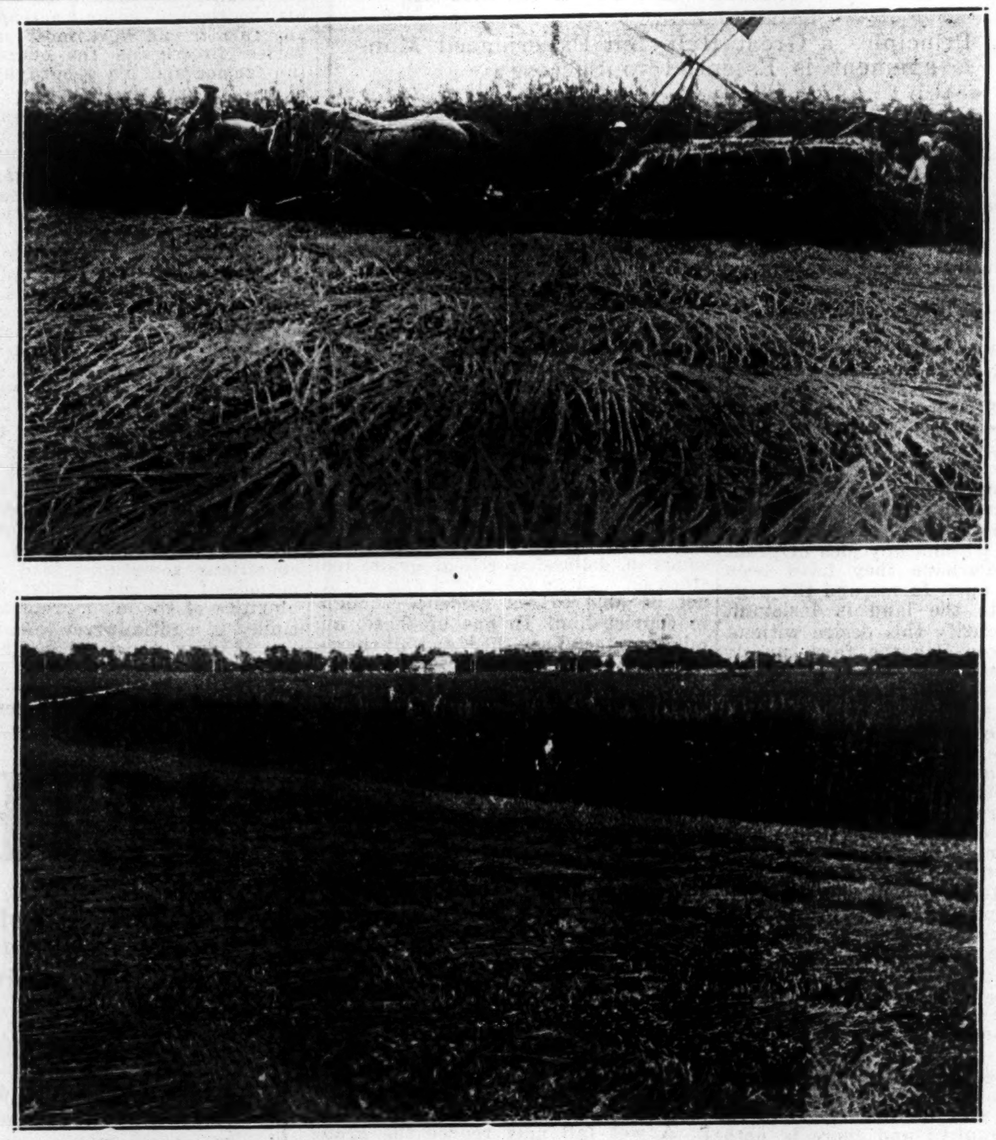
Cutting is accomplished by means of a tractor attached to a special hemp harvester, of which several have been imported by the company to take care of the crop. The harvester bears a considerable resemblance to the binder, but in place of tieing the hemp into sheaves, a special canvas arrangement lays the hemp in a thin layer flat upon the ground, where it remains for three weeks to ret. While the harvester will cut a seven-foot swath, frequently the ground is of such build that a narrower swath has to be taken to permit of its even flow across the canvas table. Powerful traction is necessary because of the size and strength of fibre.

Hemp growing is attracting a considerable amount of attention in the Portage district, farmers being interested in its possibilities. It is pointed out that while it does not actually increase the fertility of the soil, it improves its condition. It grows to such a height that weeds are effectually smothered. Its tap roots strike down so deep that the soil is loosened up thoroughly and moisture admitted to a greater depth than is usually the case, while the abundant growth keeps the soil moist even in the hottest and dryest weather, and, in addition, the millions of leaves which fall, both from the growing plants and during the retting, is a form of nutriment which is returned to the land. Fall rains hold no particular terror for the hemp raiser, as the rain assists both the growth and the retting.

The hemp, after retting, is gathered up by special machinery and conveyed to the factory, where it is put through a breaking machine which removes a large part of the not-needed material. It is then put through other processes until it arrives at a stage in which it resembles tow. It is then baled and ready to be turned into the various kinds of twine which it is designed to manufacture.

There are now good prospects for the development of the high grade silica sand which is found on Black Island, **Lake Winnipeg.**

Growing Hemp to Make Rope in Western Factory



Two scenes in Western hemp fields.

EDMONTON GROWS; NOW FULFILLING PIONEERS' HOPES

Over 4,000 People Settle Near City Within Twelve Months

By JOHN BLUE.
Secretary, Board of Trade, Edmonton.

Actual developments in the city of Edmonton and surrounding district justify faith and confidence in the future of the city.

Land development is increasing. The volume of trade is growing industrially and commercially. Edmonton is now the first city in the province in population, and is beginning to realize the dreams of its early pioneers.

To substantiate these statements, let the following statistics tell the story:

Land Settlement.—During the last twelve months over 4,000 people have settled on the land in the Edmonton district. This is confirmed by reports from sixty-nine rural correspondents in the country north, west and east of Edmonton. During the twelve months ending Aug., 1926, 1,732 homesteads were filed on at Edmonton, Peace River and Grande Prairie Land Offices.

Grain.—For the twelve months ending Aug. 31, 1926, 23,000 cars of grain were inspected at Edmonton as against 16,000 the previous twelve months. During the past two years three new elevators have been erected at Edmonton, with a combined capacity of over 3,000,000 bushels. Two years ago there were seven grain buying firms in Edmonton, while at the present time there are over thirty.

Edmonton is becoming a grain centre due to the opening of the western grain route, via Prince Rupert and Vancouver.

The rate westward is 5c. a hundred less than eastward to the head of the lakes, and the day is not far distant when at least 75 per cent. of the grain grown in Alberta will reach tidewater via the western route, with an important saving to the farmers of the province.

This fall a Grain Appeal Board was established at Edmonton, so that the city now enjoys every facility for the extension of the grain trade.

Industrial.—Fifteen important new industries have been established in the city during the past five years, with a large addition to the city's payroll. The number of telephones has increased 34 per cent. in three years, and electric light users by 9 per cent.

City Development. — During the past summer 226 new houses have been built, and plans are under way for the establishment of a three million dollar C.N.R. depot. Edmonton is the most important railway centre between Winnipeg and the Pacific coast. The population of the city is now 66,450, making it the eighth city of the Dominion of Canada. The number of wholesale firms has increased from 207 to 317 in five years. Eight hundred commercial travelers make their homes in the city as against 600 five years ago. The circulation of newspapers is a very good indication of the growth and development of a city. In 1921 the country circulation of the leading newspaper was 6,850, to-day it is over 15,000.

P. BURNS & CO.
LIMITED

PACKERS
AND
PROVISIONERS

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CALGARY (Head Office), VANCOUVER, EDMONTON,
WINNIPEG, REGINA, PRINCE ALBERT.

Overseas Agencies:
LIVERPOOL, LONDON, PARIS, YOKOHAMA,
HONG KONG, SHANGHAI.

Saskatchewan General Trusts Corporation
HEAD OFFICE: REGINA, SASK.
Subscribed Capital - - $1,000,000.00.
EXECUTOR ADMINISTRATOR ASSIGNEE TRUSTEE
Special attention given Mortgage Investments, Collections, Management of Properties for Absentees and all other agency business.
BOARD OF DIRECTORS:
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SASKATOON

Population (Dominion Census 1926 — 31,202)

The city in Saskatchewan where the attention of the people of Canada is centred — WHY?

Because

- — **SASKATOON** is the centre of the great Canadian wheat belt.
- — **SASKATOON** is the wholesale and retail distributing centre of Central Saskatchewan.
- — **SASKATOON** is the railway divisional centre on the Great South Saskatchewan River, with its unlimited supply of pure water.
- — **SASKATOON** is the provincial educational centre with a school and college attendance of 11,029 in 1926.
- — **SASKATOON** is a great co-operative community centre where the "Wheat Pool" was born.
- — **SASKATOON** is the provincial milling centre where the Quaker Oats and Robin Hood milling companies are working to capacity day and night.
- — **SASKATOON'S** manufacturers and wholesalers find it pays to "Ship from the Centre and not from the Rim."
- — **SASKATOON** — The fastest growing and most prosperous city in Prairie Canada.

WATCH SASKATOON GROW!

LUCKY JACK MINES, LIMITED
Incorporated under Dominion Charter, 1926
Capitalization 2,000,000 Shares.
Without Nominal or Par Value. Fully Paid and Non-assessable.
OFFICERS
Dr. J. C. K. LANGFORD, M.B., President. PAUL F. GEMMELL, Vice-President.
EDWARD GREENFIELD, Secretary-Treasurer.
Directors
STANLEY T. BALL. R. E. DENISON. Dr. B. SWARTOUT, D.D.S. HARVEY JENNISON. A. W. HUTCHINSON.
Bankers—DOMINION BANK
Solicitors—GILCHRIST, ESTEY & HOGARTH, Canada Building, Saskatoon
Auditors—BERT R. MASECAR & CO., Chartered Accountants, Saskatoon

Lucky Jack Mines, Ltd., has been organized primarily for the purpose of developing a number of mining properties which it has acquired for a share consideration from the Broad Bay Mining Co., Ltd., of Saskatoon.

The Company, as opportunity may arise, will be prepared to purchase and develop such other mining claims as from time to time may be deemed advisable.

Properties The properties acquired by this Company are located in the Herb Lake district, Northern Manitoba, and comprise 18 claims of approximately 50 acres each, making an aggregate holding of approximately 900 acres. They are regarded by this Company as the pick of the Herb Lake area.

Claims purchased from the Broad Bay Mining Co., Ltd., include six claims known as the Lucky Jack group on the east shores of Herb Lake, the Lucky Jack, Swartout No. 2, Toren No. 2, Broad Bay, White Swan and Lioness. There are also four properties on Berry River, including the Taylor, Joe, North Star, and Bob Cat. On Sandy Lake are the Storm King, Extension and Simpson claims. There are also the well-known Cyclone and High Grade properties on Little Herb Lake. It also has options on another group of claims.

Most of these claims have been superficially prospected and are known to contain commercial ore values amenable to the free milling process. Considerable work has been done on several of the claims, and it has been proven that values increase with depth.

The High Grade Group Very rich surface indications have come from the High Grade and Cyclone claims. Several veins have been exposed, all of which show high quality ore. One of these veins has been stripped and exposed, and trenched for 700 feet. A shaft has been sunk to a depth of 50 feet and sensational ore has been found assaying thousands of dollars. There are ample buildings on this group for immediate purposes, and a gang of men is at present engaged in surface operations there.

A 10-ton test mill is already on this property, and extensive operations are contemplated.

On the group known as the Lucky Jack, on the east shore of Herb Lake, consisting of six claims, a 62-foot shaft has been sunk, and a cross-cut run at the 60-foot level has been made for 45 feet. Assays made from this shaft and cross-cut were as high as $138.

A large body of commercial ore is confidently looked for from this development, which has every indication of increasing in value at greater depth. This is regarded as a very valuable property which, it is felt, would in itself be a good investment at this Company's capitalization. Buildings on the property are adequate for all development requirements, and include commodious bunk houses, cook houses, blacksmith shop and a substantial hoist.

The Berry River Group Development of this group, consisting of four claims, to date, has been extensive trenching and other surface work. Assays have been taken ranging up to $72 per ton. The ore body on this group has been traced for 500 feet in length with a width of 25 feet. It is heavily mineralized and running parallel with it is an extensive sulphide vein. This property was originally staked by a prospector of life-long experience and acknowledged good judgment, and is considered a valuable asset.

The Sandy Lake Group Extensive development of the three claims comprising this group has disclosed four veins of white quartz, running parallel with the lake for 1,000 yards over the length of two claims, from which assays have been taken showing good values.

Sandy Lake is situated west of Herb Lake. The Grass River enters this lake on the south-west and flows out at the north-east end, connecting Sandy Lake with Herb Lake. At this point are Wekusko Falls, which, it has been estimated, will develop 500,000 horse power, an asset that would be of immense value in the mineral development of the district.

Water and Power An unlimited water supply to meet all possible requirements for milling purposes is available for each of the various groups. In addition, water power can be obtained from three different points, including that just mentioned on the Grass River.

Timber Ample timber for mining and fuel purposes is available in the district.

Transportation These properties are all immediately adjacent to water transportation, and the Lucky Jack group is only 13 miles from Mile 82 on the Hudson Bay railway. A graded and gravelled government highway from Mile 82 to Herb Lake makes the properties easy of access by team or motor car. This road cost $90,000 to construct, and ends at the Company's most southerly group of claims.

Ore Free Milling The values contained in the ore on the claims owned by this Company are recoverable by the free-milling process, thereby eliminating the necessity of costly transportation to a smelter.

Prospectors All the Company's claims were staked by prospectors of long experience and reputation, notably, George C. Taylor and Jack C. Snowdy, who, with the guidance of geological survey reports prospected almost every point in this vast mineral area before staking the claims now owned by Lucky Jack Mines, Ltd. The fact that the claims are distributed as they are is also an advantageous factor in the Company's prospects.

Investment The Company is offering the public a limited number of shares at $1.00 per share, fully paid and non-assessable. After perusing the above particulars it will be unnecessary to offer any persuasive argument to induce prospective investors to take advantage of this limited share issue. The Company believe that the actual market value of the shares will be exceeded in the near future. The purchase price of all our properties has been fully paid, we are not over-capitalized, we have rich holdings, our policy is sound, and we are spending every dollar invested upon further development work. These facts should be a sufficient guarantee that this is an outstanding investment.

Saskatchewan Studies Its Natural Resources

Finds Immense Areas of Coal, Clays, Sodium Sulphite and Other Minerals Awaiting Development

By HON. T. C. DAVIS,

Provincial Secretary of Saskatchewan and Minister in charge of Bureau of Labor and Industries.

SASKATCHEWAN has grown so rapidly and the development of the agricultural resources of the province has been carried out on such a big scale that to many of its citizens as well as to the outside world, Saskatchewan is looked on as simply a huge farm, with wheat as its principal and most profitable crop, but this phenomenal advance in agriculture has kept in the shade the truly remarkable advance in our industrial developments and resources.

Possibilities in Saskatchewan

The people of Saskatchewan are only just beginning to discover Saskatchewan and its possibilities. Coal, sodium sulphate, volcanic ash, clay, and sand and gravel are already under commercial exploitation, and undoubtedly the many discoveries of other materials, both metallic and non-metallic, which have been made during the last few years will lead to further reserves of economic minerals.

The great northern hinterland of the provinces, lying well within the edge of the Cambrian peneplain, is similar geologically to northern Manitoba on the one side and northern Alberta on the other, both of which regions have indicated mineral deposits of considerable magnitude and diversity.

The known coal deposits of Saskatchewan are of lignite variety only. The chief output comes from the vicinity of Estevan on the Souris River, near the southeast corner of the province. Eight townships in this vicinity have a possible 2,000 million tons of this fuel. Other deposits exist for 75 or 100 miles along the Souris River, for over 75 miles in an easterly and westerly direction in the Willowbunch-Wood Mountain district, on the South Saskatchewan River about 100 miles southwest of Saskatoon. Small outcrops are reported at various points throughout the province, and there are reasons to believe that coal of a somewhat better grade may exist to the north, near lac la Ronge and the Churchhill River.

At present the operators find their chief markets within the province and in Manitoba. The annual consumption of coal in the province is about 1,500,000 tons, while the annual output is in the neighborhood of 350,000 tons only. The province imports little from the United States, but regularly receives from 1,000,000 to 1,500,000 tons from the west, principally from Alberta.

Experiment with Briquetting

For several years experimental work on the briquetting of Saskatchewan lignites was carried on and a briquetting plant erected at Bienfait by the federal and provincial governments acting through the Lignite Utilization Board. The experiments have been concluded and the plant and processes have been turned over to a commercial organization. The plant will be remodelled and it is hoped will be in operation at an early date.

Southern Saskatchewan possesses commercial clay deposits of considerable promise. The province is particularly fortunate with respect to that class of raw refractories known as fire-clays. Other deposits of argillaceous material suitable for manufacture in practically the whole range of structural clay products are known to exist.

The white clays are suitable for the manufacture of stoneware, Rockinghamware, and white earthenware. Some when washed appear to be ball clays, and as such could be used in the manufacture of semi-porcelain. This is the only district in which anything approaching ball clay has been found in Canada. Various beds of white clays can be used alone for the manufacture of pottery, such as teapots, bowls, crocks and jars, or for art pottery of various kinds. For the finer grades of ware the clay should be washed and screened and mixed with 30 to 50 per cent. of powdered quartz and feldspar. This mixture would be suitable for the class of ware known as Doulton, which is made in England.

Other Clays Are Found

The peculiar colloidal clay, bentonite, occurs at St. Victor, Knollys, and on the Man River.

In the rougher grades of clay products there are openings for the manufacture of fire-brick, stove linings, sewer pipe and electric conduits, paving brick, face brick, and all varieties of burned clay products for structural uses, so that the future of the clay working industry of the province is very promising.

The recovery of these clays is rendered simple by the topographical features of the country.

Owing to their enormous extent and variety a great deal of investigatory work remains to be undertaken with respect to the Saskatchewan clays, both in the field and the laboratory. However, a certain amount of preliminary economic surveying has been done, while general geological studies have been made in the Wood Mountain-Willowbunch coal district as well as field work and laboratory tests of the clays south of the 51st parallel of latitude.

At present there are only four active brick plants in the province, located at Estevan, Bruno, Claybank and Prince Albert respectively.

Sodium Sulphate Found

Extensive deposits of sodium sulphate have been found in the alkali lake areas of Saskatchewan, notably near Dunkirk and at Muskiki Lake near Dana. Some twenty of these deposits are estimated to contain in the neighborhood of 100,000,000 tons of hydrous salts.

Operations are being carried on in a small way at Frederick Lake, near Dunkirk, Alsask and at Dana. The Canadian annual consumption has been valued as high as one million dollars, mostly imported from the United States. One of the problems to be solved in connection with the Saskatchewan deposits is the cost of transportation.

Sodium sulphate is used in the pulp and paper industry, glass dye and textile industries, for the manufacture of certain chemicals and to a small extent for medicinal and tanning purposes.

Systematic Study is Need

Lack of systematic prospecting and real development have prevented any accurate knowledge of the value and extent of the many reported discoveries of minerals. Forecasts would be premature at this time, but certain indications suggest the reasonableness of hoping for encouraging results upon further investigations. A few of these indications or discoveries are briefly reviewed herein, but enlargement upon them is unnecessary.

Gold has been discovered in quartz veins on Amisk Lake in what appears to be paying proportions. This district adjoins the Manitoba boundary and during the rush of 1912 some 1,500 claims were staked about this lake. Development work has not been attempted on more than half a dozen such claims. In 1908 a stampede took place to lac la Ronge, where finds of gold-bearing quartz and copper sulphides were reported. No. development has followed, though deposits of copper ore are believed to exist there. The presence of iron has been established, though the amounts are uncertain. Silver has been reported at Fond du Lac, at the easterly end of Lake Athabaska, A number of claims have been staked, but very little work has been done.

The great flow of natural gas obtained at Medicine Hat, a few miles west of the Saskatchewan-Alberta boundary, and the oil developments in other parts of Alberta, have aroused hopes of similar possibilities in Saskatchewan. Some drilling has been done in the vicinity of Eastend, and it is expected that considerable prospecting will be done shortly in the Lloydminster, Battleford and other districts.

Iron ochres have been sampled in the Prince Albert district and mineral pigments and mineral waters have been noticed in other localities. Gypsum crystals have been found sparingly in shale deposits. Salt springs occur in various places, and a small production was at one time obtained from a saline lake near Senlac.

Sand and gravel for building and road-making purposes are widely distributed. The annual production is valued at $60,000. Silurian limestone formations occur about Cumberland Lake, and drift, probably from this source, is found in the Prince Albert-Saskatoon district. The Provincial University buildings at Saskatoon are built from this drift. Quartz and granites are found in the pre-Cambrian formations outcropping throughout the Churchill basin. Drift boulders from these sources are found in many parts of the province, and are utilized for building and road-making material.

The oil shales of the Pasquia hills present interesting possibilities, not only in the distillation of oils, but in the production of ammonium sulphate as a by-product to be used as a fertilizer. The vast wheatlands of the province will shortly demand the keeping up of the value of their soils by fertilizers and this is a possible source of supply.

Volcanic ash has been found in thick beds at several localities and a deposit has been worked at Waldeck, the material being used in scouring compounds and cleansers.

Highways to Solve Prairie Market Problem

Saskatchewan, the Great Wheat Province, Has Provincial System Financed Without the Aid of the Municipalities

THE amount of $352,026 was spent on the improvement of main market roads in Saskatchewan during the year ended April 30, 1926, according to the annual report of the Department of Highways, issued by H. S. Carpenter and submitted to Hon. J. G. Gardiner, minister of highways.

Out of this sum, states Mr. Carpenter, "a total of $177,558 was paid out under contracts with rural municipalities for 523 pieces of road work, and construction work costing $174,468 was done by departmental road crews on 478 pieces of road. It is satisfactory to note that this system has encouraged the municipalities to expend from their own funds certain amounts over and above the contract price, and to furnish culverts in many cases fully to complete the work.

In addition to the maintenance on provincial highways, there was an amount of maintenance of main market roads performed within the boundaries of the rural municipalities and also on colonization roads in the unorganized areas; 212 miles of roadway were maintained in this way.

Provincial Highways

The amount expended on the construction of provincial highways during the fiscal year was $966,890, and the total expenditure, since the commencement of work on this system of trunk highway in 1919, to date, is $4,996,952. Owing to unusually heavy rains during September, and the termination of grading operations by frost on October 24, we were unable to complete our programme of work for the year, but succeeded in constructing 392.9 miles, making a total of 2,000.8 miles of provincial highway completed to date. The following statement shows the amount expended and mileage of road constructed each year since the commencement of work on our provincial highway system in 1919.

Fiscal Year	Amount Expended	Mileage Completed
1919-20	$ 24,884	11.4
1920-21	73,978	26.0
1921-22	761,259	285.0
1922-23	1,151,284	447.1
1923-24	911,494	354.8
1924-25	1,107,210	484.1
1925-26	966,890	392,9
Totals	$4,996,952	2,000.8

Acting upon the recommendations of Wm. Jackson and E. G. Carty, engineer and auditor, respectively, for the Federal Department of Railways and Canals, the Federal Government has made payments to the provincial treasurer to the amount of $1,684,394 on account of work performed under the Canada Highways Act up to December 31, 1925; the sum of $163,966.25 having been received during the fiscal year ended April 30, 1926. The sum of $121,860 still remains to be earned before we receive payment in full of the amount allotted to the province of Saskatchewan under the provisions of the Canada Highways Act, namely the sum of $1,806,255.

During the season of 1925 the assistant field engineers secured preliminary engineering information on 686 miles of road, and the total mileage of road profiled to date on our provincial highway system is 2,953.

Arrangements have been made to continue construction work on provincial highways during the year 1926-27 on much the same scale as in the previous year, without assistance from the federal Department of Highways. The maintenance branch is now maintaining the 2,000 miles of provincial highway completed at the end of the 1925 season, and during the coming year will take over additional mileage as the roads are taken over from the contractors.

The Saskatchewan provincial highway system is a system of trunk roads, super-imposed upon the established main market road system, but inter-connected, that is to say forming continuous trunk lines in a general direction, connecting the most important cities, towns and villages, and also it aims to connect with the main highways established in the provinces east and west, and in the States of the Union adjoining the southern part of Saskatchewan at the International Boundary.

The cost of construction of the provincial highway system has been borne by the provincial government, with the aid of the federal government. In no case have the municipalities been called upon to contribute any share of the cost of construction. A similar principle has been followed with regard to the maintenance and renewals on that portion of the system completed and taken over, the cost of maintenance being borne solely by the government. The municipalities have not been called upon to contribute towards the maintenance and patrol, neither has the federal government contributed anything toward the maintenance or patrol of the highways which it has assisted to construct.

SASKATCHEWAN CLAYS PROVEN VALUABLE

Are Now Being Found Suitable for China Making as Well as Clay Products

A good deal of interest has been manifested during the year in Western clay resources, more especially in the Province of Saskatchewan, where in the Southern districts are to be found, clays deemed suitable, not only for the manufacture of brick, tile, sewer pipe and pottery ware, but also china clay, which can be used in the manufacture of white ware, and possibly some of the better classes of chinaware. Shipments of clay have been made to pottery companies in Ohio, and the Ceramics Branch of the Saskatchewan Government has been carrying out some very definite experiments, looking to the uses of its clay for many commercial purposes. Owing to the large increase in building operations in the West, there has been a re-opening of many of the old brick yards, and those plants which have continuously been running are having a good season. Although the clay industry appears to be slated for much better times, and with this will come development of new deposits.

PRAIRIE PROVINCES COME FORWARD AT RAPID PACE

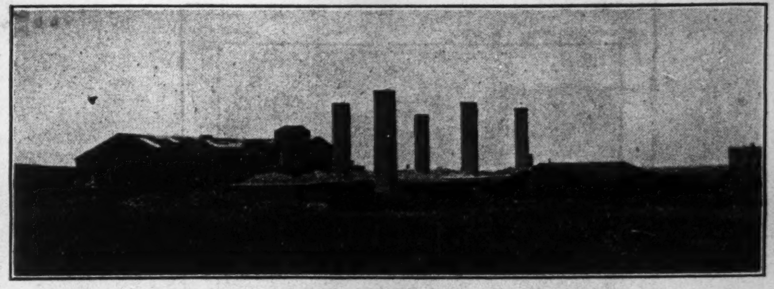
(Continued from page 25)

would happen in the event of there being a declining market in which the pool would not be able to protect its members from evident loss is regarded as another matter entirely. Then too, there is expressed a certain amount of doubt as to the ability of the officials to handle the affairs of such a gigantic concern to the best advantage. Generally, public opinion in Western Canada is favorable to the pool, on the showing it has made to date, but the business community is inclined to hold final judgment as to its soundness until it has stood the test of more varied conditions than have thus far prevailed.

Industrial Development

Interest in industrial developments in Western Canada centres largely in Winnipeg from the fact that this is a logical site for manufacturers seeking a western distribution, particularly in view of the supply of cheap electric power readily available. Then, too, Manitoba has readily accessible pulpwood resources for the foundation of paper mills and great mineral resources which promise early development. However, Saskatchewan and Alberta are also taking an interest in their industrial possibilities in relation to markets and to their supplies of raw materials and the strides being made in the direction of successful development are both interesting and important.

Interest in industrial development on the prairies has been increased with the opening of the Panama Canal and the growing importance of Vancouver as a distributing point to the prairies. This has affected Winnipeg to a larger extent than the other cities, not only because of her position as the gateway to and from Eastern Canada, but because the regional distributing centres in Alberta and Saskatchewan have also been increasing their importance at the expense of the Manitoba metropolis in meeting the demands of the retail trade for more convenient warehouse facilities from which to draw supplies to fit in with the modern tendency of maintaining smaller stocks.



Brick Plant at Estevan.

Manitoba's Leather Plants

Manitoba has 25 establishments making harness and saddlery, two making trunks and valises, and one making other leather goods. In the harness and saddlery industry, the province ranks third in the Dominion, according to statistics compiled by the Industrial Development Board of Manitoba, from the government census.

The Western Empire Life Assurance Company

THE SPLENDID PROFITS which this Company is paying to its Policyholders will be further increased as a result of the HIGH INTEREST EARNINGS of the Company, its MODERATE EXPENSES and exceptionally LOW MORTALITY experience.

Some very attractive contracts will be given to agents who can produce good business.

Head Office: Winnipeg

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Head Office — Saskatoon

Authorized Capital, 500,000 Shares Non-par Value
First 100,000 Issue Selling at $1.00 Each
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Sasko-Wainwright selected their drilling site after several producing wells were drilled in the field, thus taking advantage of experience gained.
We believe we have one of the best locations in the field.
First site three-quarters of a mile south of B.P. 3 and Edmonton-Wainwright.
When the company is fully financed, shareholders will have control. No one or small group will have controlling interest. This we believe is a decided advantage for investors.
Estimated paid up capital when financing is complete is approximately $350,000.00.
We propose to drill from five to eight wells in 1927.
Total holdings when complete, 2040 acres on government surveyed structure.
Canada expends $37,000,000 annually for oil. Invest in this company and get a share of the flowing cash.
"The significant feature of the Wainwright district is that no well has been completed to date and found dry." — Col. R. B. Harkness, Petroleum Technologist.

Write for Syllabus with full information, or fill in application below.

CANADIAN FISCAL AGENCIES
501 Canada Building, Saskatoon, Sask.

Gentlemen: I hereby apply for .... shares non-par value of $1.00 each of fully paid up stock in the Sasko-Wainwright Oil and Gas, Limited, at $1.00 per share.

Applicant ....

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Make All Cheques Payable to the Canadian Fiscal Agencies

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North of Scotland Canadian Mortgage Co., Ltd.
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Coal

(Wholesale Distributors)

GALT COAL. McLEOD RIVER COAL.
ZENITH COKE.

Dr. Charles Camsell (left) Deputy Minister of Mines, and A. J. C. Netell, Federal Geologist, inspecting clay deposits at Willows, Saskatchewan.

M. P. Tullis, Fields Crops Commissioner for Saskatchewan, in a corn field in the Foxleigh District, Saskatchewan.

"GREEN MEADOW FOOTSTEP"
Grand Champion Clydesdale Stallion, owned by University of Saskatchewan.

Resources of SASKATCHEWAN

FOR a province which is this year celebrating its twenty-first birthday Saskatchewan has made most remarkable economic progress, but her other resources are so promising and of such a varied nature that her future welfare is assured. Up to the present time agriculture is leading by far any of the other industries of the province. Saskatchewan occupies the premier place on the continent as a wheat-growing province or state. For some years this province has led the other provinces of the Dominion by producing more than half of the wheat harvested in Canada. She also leads all the states of the American Union in wheat production. In 1925 the wheat produced in Saskatchewan amounted to 240,551,000 bushels. This year the estimated yield is about 210,000,000 bushels.

Commanding Position

Besides her commanding position in wheat growing her agricultural industry branched off in many other lines. Besides winning the world's prize for the best wheat eleven times in fourteen years, many prizes were won by coarse grains grown by Saskatchewan farmers in competition with grains of the other provinces, at the Toronto Royal Show in 1925. There has been marked progress in all branches of the live stock industry. No finer horses, or better cattle and sheep can be found in the Dominion than are now raised in Saskatchewan. Saskatchewan is now an exporter of horses rather than an importer and many carloads of cattle are shipped out of the province annually. The production of bacon hogs is becoming an important side line on many farms and the quality of the animals raised is steadily improving. The bacon type of hog is receiving much attention and this phase of the live stock industry is greatly stimulated by the grading process.

Dairying Industry

The dairying industry is one of the flourishing branches of agriculture. Eighty creameries handle a large proportion of the cream of the province and relieve the farmers of the trouble of arranging facilities to make their own butter. This year there is every indication that the amount of creamery butter manufactured in Saskatchewan will be over 18,000,000 pounds or more than 2,000,000 pounds in excess of last year. Besides the creameries there are 8 cheese factories in operation. In 1925 the output of cheese was 239,000 pounds. In 1925 Saskatchewan butter carried off the gold medal for salted butter and a silver medal for unsalted butter against Empire-wide competition at the London Dairy Show, England. With the successses attained in the growing of fodder crops like sweet clover, corn, alfalfa, timothy, and other grasses, the winter feed problem is practically solved and we can look forward to still greater operations in the dairy industry.

Agricultural Development

The success of agricultural development has been so marked that it has cast into the shade the great potential wealth that lies in Saskatchewan's natural resources. Even many of the people of the province are unaware of the possibilities of wealth presented by the development of industries that will utilize the raw products discovered in many parts of the province that will yet be a potent factor in the province's wealth. Coal, sodium sulphate, volcanic ash, clay deposits are already under commercial exploitation and the many discoveries of other minerals both metallic and non-metallic, which have been made during the last few years, should lead to further reserves of economic minerals. In addition to mineral resources, forest limits, clay deposits, water power, lakes and rivers with abundance of fish, mark the importance of Saskatchewan's wealth in natural resources.

Forests

FORESTS. The forest wealth of northern Saskatchewan is not generally known to the people outside of the province nor to many of its citizens, as their attention has been drawn more toward agricultural pursuits, but there are millions of feet of lumber of commercial value as well as millions of cords of fuel and small pulpwood in these vast northern tracts of timber. The most conservative estimates place the extent of Saskatchewan's marketable lumber at nearly eight billion board feet and the pulpwood at seventy-two million cords. In addition to the lumber and pulpwood there are millions of cords of small timber that can be used for fuel, fence posts, railway ties, mine supports, etc.

In 1924 the value of the cut was $1,466,572. Many of the timber areas are not yet within reach of a market but with the establishment of communications these districts will prove valuable assets to the province.

Fishing Industry

FISH. It has been pointed out by Commissioner Wallace of Manitoba that the fish industry even now is a paying proposition and can be made a permanent one in Saskatchewan and one that would yield profitable returns as every fresh water lake in Northern Saskatchewan abounds with the finest of fish. There is a combined area of probably five million acres of these fresh water lakes in Saskatchewan. The chief varieties caught are whitefish, trout, pike, pickerel and mullets.

The remoteness of the fishing districts and the lack of transportation facilities have hitherto hindered the development of the fishing industry; but even in the face of these obstacles the value of Saskatchewan fish caught and marketed in 1924 was $482,492. With the removal of these marketing handicaps that at the present time prohibit the exploiting of such valuable districts as Wollaston, Reindeer, Athabasca, Hatchett, Black and Cree lakes whose waters are most lavishly stocked with many varieties of fish of excellent quality, the ultimate success of this very important industry is practically assured.

Water Power

WATER POWER. Saskatchewan is particularly fortunate in the matter of water power. There are many fast running streams in the northern portion of the province that are capable of producing several hundred thousand horse power of energy while other smaller and slower streams would produce a very serviceable amount of energy with but little cost. It is estimated that there are over one-million horse power of energy stored in the northern rivers of Saskatchewan and if once developed would be a very cheap power for industrial development. Already consideration has been given to the development of one or two power sites in the northern rivers in connection with prospective mining developments in Northern Saskatchewan and Manitoba. Further settlement and development of the northern part of the province assure the future utilization of the extensive waterpower resources.

Minerals

MINERALS. Besides agricultural resources Saskatchewan has valuable mineral resources. For so young a province whose time has largely been taken up in organizing and settling agricultural districts the advance in the development of mineral resources has been very creditable. Coal is at the present time the leading mineral in Saskatchewan as there are such large deposits and generally easy of access in all parts of the province, that it has been readily mined for local consumption. The annual output of coal which is largely lignite is about 480,000 tons. Though most of the larger deposits are found in the southern parts of the province there are reasons to believe many deposits of a better grade are to be found in the northern parts, especially around lac la Ronge and the Churchill River. As a result of successful briquetting experiments with Saskatchewan coal early operations for this particular industry is looked for.

Clays

CLAYS. The many deposits of clays found in Saskatchewan are of great commercial value owing to the great variety. Coarse clay suitable for tiles and bricks is found in abundance in many parts of the province, particularly in the south, though there are deposits in the more northern portions. Refractory clays or fire-resisting clays used in the making of fire boxes, furnace linings, etc., can be supplied in large quantities, while the finer grades necessary for the making of porcelain or semi-chinaware, are easily obtained. The province is particularly fortunate in this resource as no other province in the Dominion can boast of such varieties of clays as exist in Saskatchewan.

Other Minerals

OTHER MINERALS. From investigations made Saskatchewan has deposits of other minerals that will prove profitable when developed. Gold has been discovered in quartz veins on the Amisk Lake in what appears to be paying proportions. The presence of iron has been discovered in different parts of northern Saskatchewan. Silver has been reported around Lake Athabasca. Extensive deposits of Sodium Sulphate have been found in alkali lake districts of Saskatchewan. Some twenty of these deposits are estimated to contain in the neighborhood of 100,000,000 tons of hydrous salts. Sodium sulphate is used in the pulp and paper industry, glass, dye, and textile industries, for the manufacture of certain chemicals and to a small extent for medicinal and tanning purposes. In addition to these lime, oil, shales and volcanic ash are found in several localities.

Game and Furs

GAME AND FURS. The wooded areas of northern Saskatchewan abound in moose, deer and caribou. Black bear are very common and cinnamon or brown bear are occasionally found. Under protection the elk, whose numbers were steadily diminishing, are becoming plentiful. Timber wolves are to be found in plenty in the north, while the coyote is an inhabitant of almost all parts of the province.

Among the smaller fur-bearing animals suitable for game may be mentioned the skunk, weasel, fox, both red and black, beaver, otter, mink and muskrat. The number of muskrat taken in Saskatchewan in 1925 was 856,829; weasel, 87,816; coyote, 31,009; red fox-skins, 7,810; skunk, 9,117; mink, 5,635; beaver, 5,001; badger, 5,008; silver black fox, 368. The total number of pelts taken during the year was 1,016,527, valued at $1,804,051.

Saskatchewan is a paradise for the wing-shot as there abound unlimited numbers of game birds. Ducks and geese are very plentiful, being found around all the lakes and sloughs throughout the province, partridges and prairie chickens are in such numbers that affords ample opportunity for the marksmen to demonstrate their skill in this form of sport. The season for game birds is open in the fall when the weather is usually clear with days of bright sunshine and starlight nights.

Industrial Prospects

INDUSTRIAL PROSPECTS. Practically all industries located in Saskatchewan are related to or dependent upon agriculture, consequently the industrial development of the province up to the present time is largely a reflex of our agricultural development, but there are fine opportunities for the development of industries that will utilize our natural resources and manufacture into the finished product many things that are now being imported.

Mineral Resources

The mineral resources of the province are only beginning to be known, and prominent among the possibilities is the outlook for oil and gas. At present excellent opportunities are offered for the manufacture of clay products on a large scale, as there are coal deposits that would supply fuel for power in close proximity to the clay deposits.

Fishing party at Valeport, Last Mountain Lake

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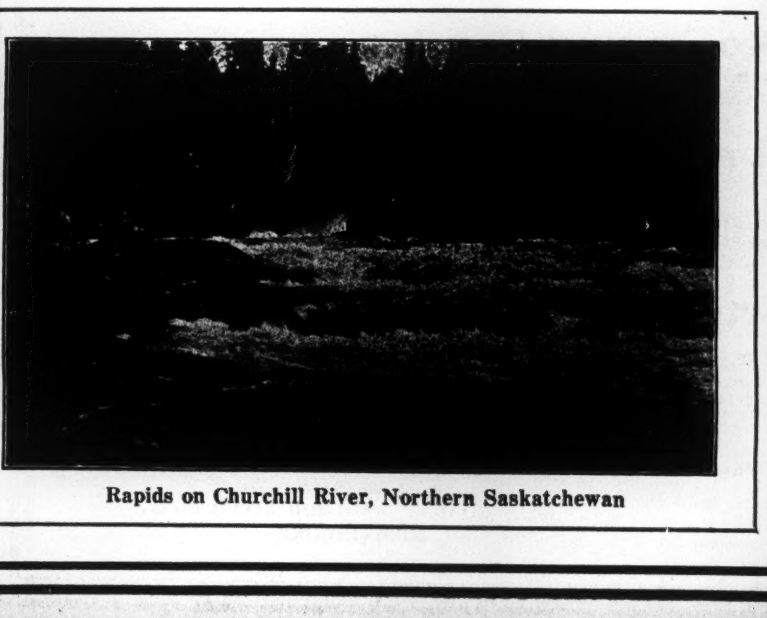
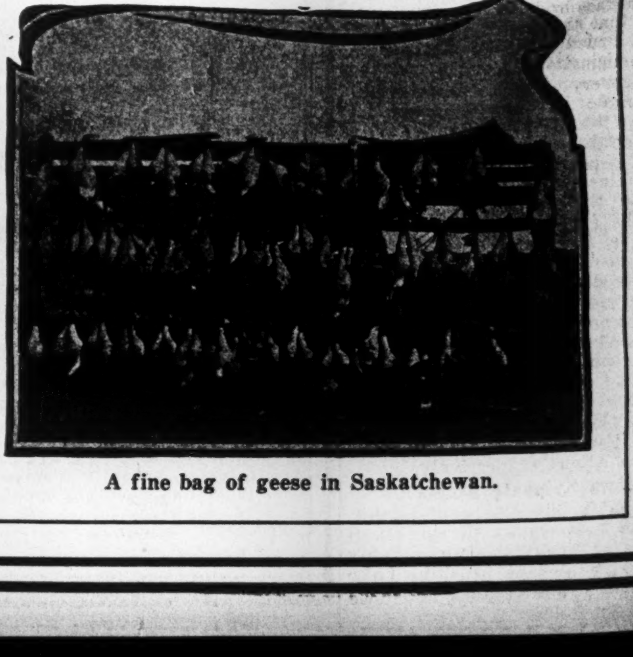


Rapids on Churchill River, Northern Saskatchewan



A fine bag of geese in Saskatchewan.

Canadian Mining News

THE FINANCIAL POST

Vol. XX. PUBLICATION OFFICE: TORONTO, NOVEMBER 26, 1926 No. 48

Canada the Coming Country, Ahead of All in Mineral Production

English Engineer of Wide Experience Gives Some Interesting Views on Canada's Mineral Wealth and London's Participation in Its Development

PRESENT APATHY DUE TO IGNORANCE

Skepticism and Pessimism Rampant in Minds of Brokerage Fraternity and General Public Deplored — Have Little Knowledge to go on — Must be Enlightened

Canada wants more British capital to participate in the development of its mineral resources. Two reasons dictate this, that is, English mining money has a way of playing the game that appeals to Canadians; second, Imperialists look upon it as desirable from an empire point of view.

But to date, Canada has had little of this proper kind of money. Recently The Financial Post in commenting upon this, pointed out that Canada's experience to date has not been the most satisfactory.

This article has invoked a valuable contribution from H. S. Denny, C.B.E., a member of the council of the London Institute of Mining and Metallurgy, as well as New York and the Mining Society of South Africa. Mr. Denny is fairly well known in Ontario because of his associations with Tough-Oakes-Burnside and Moneta Mines and in British Columbia with the Big Missouri, Forty Mine and others in Portland Canal area.

Mr. Denny sees a change coming over the London market attitude and he is doing his part in accelerating this good work. His article, which follows, is interesting. In passing it might be noted that The Post in speaking of English engineers never having a good word to say about Canada's potential mineral wealth, the term was a general one. There are exceptions to all rules and Mr. Denny is known to be one of the few exceptions in this case.—Mining editor.

19th November, 1926.

To The Editor,
Financial Post,
549 University Ave.,
Toronto, Ont.

Dear Sir:

In the course of a very informative digest of your issue of November 12th I was surprised to read your remarks referring to the recognition given to Canada's Gold Mines by London, and suggesting that London appeared to take more interest in depreciating Canada's gold mines than otherwise. In the course of your remarks you say: "London engineers have never had a good thing to say for Northern Ontario's gold mines." "Never" is a very comprehensive term, and like all general statements, I am sure you will agree with me that this one is wrong.

In the past six years I have made many visits to this country, and in the course of these visits, have inspected a number of mines, not only in the big camps such as Porcupine and Kirkland Lake, but numbers of others even as far west as the Premier Mine, in British Columbia. It may surprise you to know that it has been not only a pleasure but what I conceive to be a duty to say many very pleasant things, not only about the mines, but about the men handling them and the methods employed and the general efficiency of the operations, and as proof of that I can refer you to a number of statements which have appeared in the press in England from time to time stating these things in unmistakeable terms. I would go even further and say that of all the British engineers I have met who have visited this country, the majority of them share the views which I have indicated as being my own in the above remarks.

Mr. David Wilkinson is an old friend of mine, and I think it highly improbable that he could have ever made the statements attributed to him in your notes. Nevertheless I am bound to admit that in London there is a scepticism and a pessimism in the minds of the brokering fraternity and the general public regarding Canadian mining that is deplorable. Most of the men with whom I have talked have not formed their opinion on any basic or concrete instance or property, and in fact, most of them know very little about existing conditions in Canada or the progress that has been made in the mineral industry in the past few years. They usually begin by talking about the Grand Trunk swindle, as they call it, and they talk largely and rather widely about the unreliability of all Canadian mining ventures and mining people.

Within the past few months I discussed this very question with one of our leading financial newspaper editors and he agreed that the publicity given to the progress of mining in Canada was so little that one could expect nothing else but ignorance from the public, and he added that until a few English companies were successfully operating in Canada and advertising their results in England as they do in the case of the South African Mines, that the ignorance complained of was likely to continue.

I understand from reliable sources that the percentage of British capital invested in the mining industry in this country is extremely small, and it appears to me, from all I can learn, that the steps being taken to increase the British holding are neither comprehensive enough nor sufficiently well formulated to have any hope of achieving that object.

Your remark that Premier King may get the opportunity to say something I was glad to note, and I sincerely hope that not only Premier King but other influential Canadians visiting London will lose no opportunity of arousing in the minds of the people at home an interest that is commensurate with the importance of the developments here.

In the past few years I have visited a good many mining companies, and for many years was resident in South Africa as general manager of one of the leading groups, and it may be of some little interest to you to know that I regard Canada as beyond all peradventure of doubt or question to be the coming country ahead of all others in the rapid expansion of its mineral production, and in proof of the sincerity of this statement I have invested capital for myself and for my friends in Canada, and purpose putting in the bulk of my time within the next few years attending to the interests already acquired and those which we hope to acquire.

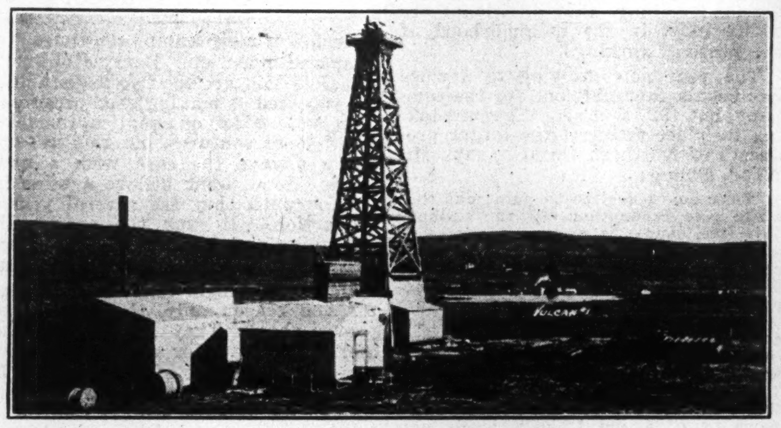
Please, therefore, don't let it be said that it is the fault of the engineers that Canadian mining is not popular in London. But unless some of the public men disturb themselves, it will become a self-imposed duty upon some of the engineering fraternity themselves to endeavor to enlighten the English public as to the great possibilities and the great future of this country.

I am not saying that wildly optimistic and grossly exaggerated statements regarding the industry will be approved of, or that support will be given to those who submit propaganda of that nature, but everything that can fairly be done to secure proper participation by Great Britain in the further developments of this industry will be done by at least one engineer. The Empire Mining and Metallurgical Congress in August and September, 1927, promises to be

(Continued on page 36)

DALHOUSIE'S THIRD WELL

Dalhousie oils will soon start its third well in Turner Valley field. No.'s 1 and 5 are drilling and the new well will be known as No. 6. No. 5 is down 2.870 ft., No. 1 is at 3,600 ft. and a heavy drilling outfit is being installed. Dalhousie is controlled by Royalite oil, an Imperial oil subsidiary.



The above picture shows a section of Turner Valley oil field, south of Calgary. It is taken from the north end of the field and shows the Vulcan well which just came in with a flow of wet gas giving around 250 barrels of naphtha daily. In the foreground is Spooner Oils, controlled by the same people as control Vulcan. Mr. Spooner, president of both Vulcan and Spooner Oils, homesteaded this ground. To the east of Vulcan is Dalhousie No. 3, which company is controlled by Imperial Oil.

Dividends 5 Canadian Mines, 16 Million, 1926

Leading Mine Dividend Payments, 1926	
Con. Smelters	$4,816,614
Hollinger	3,378,800
Int. Nickel	3,748,845
Dome	1,906,668
Premier	1,600,000
Total 5 mines	$16,450,927

Much attention is called to Premier Gold Mines because of its sensational dividend record of over $9,000,000 paid out in about five years. For this reason it is generally referred to as the greatest dividend payer in B.C. yet Consolidated Smelters, in 1926, has distributed $4,816,614, or about half of Premier's payments to date. Hollinger last year distributed $4,378,800 and this year will pay out an equal amount.

International Nickel last year resumed common dividends and paid out on preferred and common $2,074,451 and in the first three quarters of this year $2,911,143, with another 50 cents per share coming on the common. Premier pays 32c. per share on 5,000,000 one dollar shares, or $1,600,000 yearly.

Smelters this year has paid $1.50 in regular dividends and two bonuses, $5 and $3, or $9.50 per share in all. There is no preferred out. Hollinger is paying $1.30 per year on $4,920,000, $5 shares. Dome is also a heavy dividend payer, distributing $476,667, or 50c. per share quarterly, or $1,906,668, or $2 per share yearly.

Keora's Holdings of South Keora Worth $175,000 Over Keora's Valuation in Market

Rather an interesting situation exists in the market for shares of Keora and South Keora. Keora with a capitalization of $2,500,000 is selling at 13c. or a valuation of $325,000. Keora owns 2,000,000 shares of South Keora which is selling on the Standard Exchange at 25c., which puts a valuation on Keora's holding of S. Keora, of $500,000 or $175,000 more than the valuation of Keora.

ONTARIO'S GOLD PRODUCTION UP MILLION DOLLARS

Porcupine Millheads Show Falling Off Though Tonnage Jumped

Northern Ontario's gold production for 10 months of 1926 shows an increase of $1,100,000 over the same period of 1925. Kirkland Lake shows an increase of $1,300,000 and Porcupine a decline of $200,000. In both cases there has been a material increase in the tonnage.

The Porcupine decline in valuation is due to the treating of a lower grade of ore. For the ten months of this year the average per ton fell to $7.62 for the camp or nearly 70 cents per ton lower than the average for ten months in 1925.

Kirkland Lake average for ten months was $14.26, or an increase of 21 cents per ton in the average millheads while the tonnage went up 100,000 tons. The improvement is due to the starting of the Kirkland Lake mill, to a better extraction at Tough Oakes Burnside and also the expansion at Lake Shore, Wright Hargreaves and Teck Hughes and a better recovery at Argonaut.

It is rather surprising to find the Porcupine Camp falling back as much as it has, because this camp this year added three new mills, Ankerite, Paymaster and March, besides, Vipond doubled its tonnage to 300 daily. Undoubtedly, Hollinger is the big factor and probably the final figures for the year will show a material increase in the attached totals as Hollinger works on 13 weekly periods, and for this reason the figures will be subject to revision. The totals of tonnage and values are compiled by the Statistical Branch of the Ontario Department of Mines.

The figures are given by months as follows:

Porcupine

Month	Tons	Value	Aver. Per ton
January	269,325	$1,946,563	$7.22
February	242,510	1,980,919	8.80
March	268,545	2,353,829	8.73
April	260,064	2,169,921	8.33
May	261,722	1,919,585	7.33
June	228,804	1,899,477	8.30
July	243,760	1,715,954	7.10
August	293,477	2,032,226	6.27
September	268,467	2,039,031	7.60
October	283,264	2,081,231	7.35
Ten months	2,639,438	20,138,736	7.62
10 mos., 1925	2,472,876	20,383,594	8.30
12 mos., 1925	3,016,178	20,886,615	8.25

Kirkland Lake

	Tons	Value	Per ton
January	34,167	$575,128	16.83
February	33,718	506,739	15.00
March	39,927	513,617	12.86
April	41,197	617,184	14.98
May	42,399	635,365	14.98
June	41,745	550,283	13.18
July	41,315	547,069	13.24
August	43,542	637,924	14.65
September	41,516	618,820	14.80
October	50,260	634,254	12.61
10 mos.	409,786	5,841,383	14.26
10 mos, 1925	309,560	4,489,625	14.05
Year 1925	383,235	5,403,289	14.00

Total	Tons	Value
10 mos. 26	3,049,739	$25,982,629
10 mos. 1925	2,782,436	24,876,714
Year 1925	3,399,544	30,295,545

SILVER-LEAD FIND NEAR THE SOO MAY REVIVE OLD AREA

Seven-Foot Vein in Section Not Far From Old Bruce Copper

The silver-lead discovery made in Dunn's Valley, 20 miles east of the Soo, Ont., is opening out in an interesting way, says the Soo Star. About 65 ft. of tunnelling has been done on the vein which is 7 ft. wide and values are said to be high in lead with a fair silver-gold content.

This discovery is not far from the famous Bruce copper mine, which was operated as early as 1848 and produced ore estimated to run as high as $7,000,000. In the same township as that in which the silver-lead discovery was made is found the old Havilah gold mine and assays of the ore of this property make it appear quite reasonable that important values in silver and gold may be proven in the district. At the Havilah a gold content of from $6 to $19 per ton is reported to have been obtained with a silver content of around six ounces.

It is in this immediate district that some of the first geological survey work in America was done, the first officers of the Geological Survey, Murray and Logan, having made a detailed investigation of the area in 1847. Murray discovered in the area a thick sequence of Precambrian sedimentary rocks, not theretofore known to geologists, which he and Logan named Huronian. The district thus became known as the original Huronian district, which leaves little to be said in describing the general formation of the area. There are, however, numerous and occasionally extensive occurrences of Keewatin basic intrusives.

Spending $750,000 on Mill for 90-day Test of Flin Flon's Ores

Manitoba to Front

Manitoba is coming to the front as a mineral province.

In this issue will be found an interesting article on Flin Flon copper-gold-zinc property and the heavy expenditure undertaken to test out the ore.

This week sees the first public offering of shares in the Central Manitoba mines, which with Cryderman property of Mining Corporation and Eldorado mines, make up the principal groups of the camp.

Private sales of Eldorado shares has been going on in Toronto for some time but the Central Manitoba is the first offering through a brokerage house. Others may follow.

Building Equipment Taken Over Long Route in Three Months

READY IN MARCH

Mill Designed as Result of Denver Tests, and if Success, Large Tonnage Will Follow

H. P. Whitney interests of New York and California, operating under Minerals Separation Co., are spending $750,000 on taking in and constructing a 100-ton mill at Flin Flon mine, Northern Manitoba, to make a mill test of the ore before going ahead with the erection of a mill of large tonnage. The test mill will be operated 90 days and scrapped. If the test is up to expectations, the mill is of no use to such a mine of such huge tonnage. If the test is a failure, then the mill is no use and millions will have been saved.

The last boat load of 70 tons of freight for Flin Flon arrived at Sturgeon landing two weeks ago, and has, by now, reached the mine, making a total of 760 tons transported in less than 90 days. This is a remarkable achievement, as the freight had to be taken from The Pas 120 miles by boat, then across a 16 mile portage by team, then by boat 40 miles across Athapopuskan Lake, then 4 miles by team to the mine.

Mill Building Ready

Work at the property is progressing rapidly and the new building, 120 by 180, for the mill is completely finished, and with the exception of a small amount of cement work everything is now in readiness for the heavy machinery, which will be transported by teams as soon as the freeze up is on and travel is safe.

It is expected that with good luck the mill will be in operation not later than March 1, and this will give the Whitney people ample time to make the necessary experiments they desire.

The mill will, in all probability, handle about 100 tons per day when fully completed, and will be an exact duplication of the larger ones to be later installed.

There is a large force working, cutting cord wood and preparing for the operations when the mill is ready.

Verify Previous Tests

The test now being made is to verify the laboratory tests made, which have been very successful, and is really a precaution to avoid mistakes so often made; also where the initial outlay is as great as in the case of the Flin Flon, it is a well justified course and a very sane one. If more operations were placed upon this basis there would be fewer failures in the mining business.

The magnitude of the Flin Flon operations will not be appreciated until the larger development is under way, as the building of the railway will take at least two years, and as the Whitney people will not ask for the railway until after the completion of the present tests it will probably

(Continued on page 36)

NEW VULCAN WELL NOW GIVES VALLEY THREE PRODUCERS

Indicated Earnings Are Around $1,000 Per Day Gross

The bringing in of the Vulcan well not only gave the Turner Valley field its third large naphtha producer, but has also proven up a large additional acreage, as the Vulcan is about one mile northwest of the first producer, Royalite No. 4, and farther north but not so much west of McLeod No. 2, the second producer.

Vulcan obtained production at a depth of 5,004 feet. A few days later a very high pressure of wet gas was encountered which blew the drilling tools up some distance from the bottom of the hole, where they became lodged, and completely cut off the gas. Work was at once started in an attempt to release the cable from the lodged tool and then proceed with the task of fishing it out. When the line was released the tool was evidently jarred loose and the well blew in with a flow of wet gas estimated at ten million cubic feet. The well was immediately connected with the Smith Separator, and is now producing 250 to 300 barrels of high grade gasoline of about 54 degrees Baume daily.

Earn $1,000 Daily

As this gasoline is worth $4.00 a barrel at the well, it will be seen that the revenue from this single well will be over a thousand dollars a day.

If might be noted that the capitalization of the Vulcan is small, being $250,000. Further, there is every reason to believe that the flow of wet gas from the Vulcan well will be maintained for an indefinite period judging from the performance of the Royalite No. 4 in the same field. This well came in with 17,000,000 cubic feet of wet gas about two years ago, from which 500 barrels of high grade gasoline is daily extracted. The flow has been steady and continuous since it blew in.

Drill Second Well

Just previous to the coming in of Vulcan well the stock was selling on the Calgary Exchange at $3.25. Today the stock is selling at $7.00. The revenue from the well will allow the directors of the company to pay dividends to shareholders as well as finance the drilling operations on their No. 2 well.

The Vulcan well is situated about a mile northwest of the famous Royalite well, and its coming in has proven a new territory, or rather enlarged the old one. Other wells in the field are at interesting stages and encouraging news is expected to be continuous from the Turner Valley from now on.

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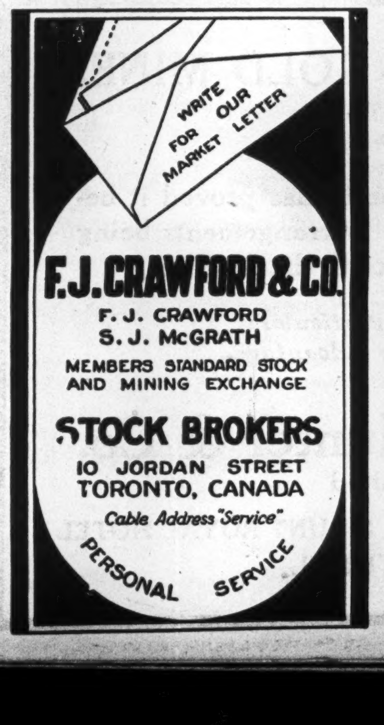

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Decline in Teck-Hughes Costs is Greater Than Indicated by Report

Work in Mine Shows Material Increase in Footage Accomplished

7½ MILES OF WORK

Higher Tonnage, Increased Efficiency and Completion of Much Dead Work Are Factors

Some interesting facts stand out in the recent Teck-Hughes report, now that the complete figures are available. Perhaps the most important is the decline in costs. These have been and, for that matter, are still high. However, Manager D. L. H. Forbes made a heroic reduction in the past year and better things are to be looked for.

The future of the enterprise seems dependable on two things, increased tonnage, which is coming, and lower costs, which, in a measure, will naturally follow the former. However, Manager Forbes this year has shown that, as the mine opens out, efficiency will also play a part in cutting costs and piling up profits. Costs for the fiscal year of 1925-6 fell $2.23. The tonnage handled was nearly double that of 1924-5, so that this would provide a portion of the cost decline.

Note the table on tonnage:

	Tons milled	Total Value	Recovery per ton
1917	11,257	66,722	5.44
1918	11,774	80,570	5.45
1919	18,387	169,590	9.22
1920	30,646	247,757	8.08
1921	34,693	322,918	9.31
1922	41,194	596,495	14.48
1923	38,314	1,117,963	29.17
1924	44,209	1,023,025	23.14
1925	55,220	996,943	18.05
1926	79,564	1,461,367	18.37

It is evident, however, on looking over the report that the drop was much greater than the mere figures indicate. The following table indicates this:

	1924 ft.	1925 ft.	1926 ft.	Total to date ft.
Drifting	4.240	1.127	5.915	23.063
Crosscuts	1,581	758	1,835	10,692
Raising	121	144	926	2,341
Winzing	4	13	6	1,099
Shafts, station	368	1,204	71	2,749
	6,314	3,246	8,753	39,944

Diamond drilling to date, 10,403 feet.

Development in the mine, it will be seen, was, in the amount of footage, more than double the year previous, while diamond drilling totalled 6,000-ft. It is true that the bulk of this effort was in less costly lateral work, while in 1925 shaft sinking cost was high. Teck-Hughes has now 7½ miles of underground work and besides 10,403-ft., or near two miles, of diamond drilling. As will be seen from the above table average mill heads were lower. The higher tonnage is a big factor here, and another is the proportion of this which came from development. Of the 79,564 tons treated development sent 23,457 tons to the mill while the year previous only 1,667 tons came from development. In 1926 low grade stock piled totalled 279 tons and waste 6,519; 1925, 2,351 tons low grade and 29,204 tons of waste.

These figures indicate that the bulk of Teck-Hughes waste effort is over and money heretofore diverted will now go along with the higher earning profits, to pile up net earnings.

Comparative figures follow:

Profit and Loss

	1921	1922	1923	1924	1925	1926
Bullion produced	$ 304,792	$ 481,144	$ 981,525	$1,111,674	$ 924,581	$1,461,367
Other revenue	40,014	20,263	26,854	31,499	26,399	49,249
	344,806	501,407	998,379	1,143,173	950,980	1,510,616
Costs	291,956	389,585	438,309	534,148	573,287	758,983
Operating profit	52,850	111,822	560,069	609,024	377,693	751,633
Tax res.	......	......	29,790	32,711	22,610	33,193
Net profit	52,850	111,822	530,279	576,253	355,083	718,440
Balance forward	530,924	478,073	226,822	303,458	879,711	1,234,794
Surplus	478,073	366,251	303,458	879,711	1,234,794	1,953,234
Premium on shares	......	......	......	......	......	147,550
						2,100,784
Less dividend	......	......	......	......	......	474,714
Balance forward	478,073	366,251	303,458	879,711	1,234,794	1,626,070
Shares issued	2,150,000	3,870,000	4,505,144	4,520,144	4,520,144	4,747,144
Profit per share	......	......	11.77%	12.75%	7.85%	15%
Surplus per share	......	......	6.73	19.46	27.09	34%

Capital Account

CURRENT ASSETS—	1921 $	1922 $	1923 $	1924 $	1925 $	1926 $
Cash bonds	140,002	175,994	233,041	680,456	883,932	1,373,654
Bullion	11,636	35,796	47,925	35,460	37,733	90,662
Inventory	47,235	41,900	47,317	59,666	55,055	78,143
Accounts, etc.	2,546	1,304	47	625	122	4,984
	201,421	254,994	328,330	776,207	976,842	1,547,443
LIABILITIES—						
Accounts	22,578	23,649	35,552	61,470	44,472	82,476
Taxes	......	6,551	30,000	49,397	22,288	33,192
	......	30,200	65,552	110,867	66,760	115,668
Working capital	178,843	224,794	262,778	665,340	910,082	1,431,775
Bonds	629,299	343,066	175,929	......	......	......
Buildings and plant	126,075	126,185	178,607	221,918	374,769	511,604
Less depreciation	56,657	25,215	37,828	56,262	99,420	158,398
	69,418	100,970	140,785	165,656	275,349	353,206
Properties	1,461,252	1,492,752	4,535,273	4,534,937	4,534,937	4,534,937
Equipment, tools, etc.	68619	43,208	44,687	32,524	28,671	53,296
	1,599,289	1,636,930	4,720,745	4,733,117	4,838,957	4,941,439

	1921		1922		1923		1924		1925		1926	
	Total	Per ton	Total	Per ton	Total	Per ton	Total	Per ton	Total	Per ton	Total	per ton
Development	$43,694	$1.34	$77,733	$1.80	$124,118	$3.58	$161,142	$3.80	$160,244	$3.29	$234,828	$2.95
Mining	82,061	2.51	93,671	2.16	102,387	2.95	136,342	3.21	218,044	4.47	204,894	2.58
Milling	66,470	2.04	94,418	2.18	99,388	2.86	100,048	2.36	82,425	1.69	141,188	1.77
General	36,440	1.12	41,090	0.95	74,215	2.14	114,119	2.69	69,416	1.43	119,095	1.50
Depreciation	12,608	0.39	12,608	0.29	12,608	0.36	18,439	.44	43,158	.89	58,978	.74
Financing, etc.	50,682	1.55	70,065	1.62	25,592	0.74	4,058	.10	.....	...	.....	...
	$291,956	$8.95	$389,585	$9,00	$438,309	$12.63	$534,148	$12.60	$573,287	*$11.77	$758,983	$9.54

*Costs include direct and indirect. Deduct last two items to get actual working cost.

Boischatel Mines Secures Finances

It is officially announced that Boischatel mine has concluded a deal for finances that will immediately provide the company with a substantial treasury. The names of the underwriters have not been made public. This will be followed by an aggressive mining operation, presumably on the group adjoining Towagmac. The company has three interesting blocks of ground in Boischatel Township, and Jos. Houston, M.E., consulting engineer, has just concluded a report on these properties. This report has not been made public as yet, but it is understood that it contains recommendations for a Swedish survey to be followed by diamond drilling.

It is understood that the new interests who are providing the finances, have already placed a substantial sum at the disposal of the company.

SAYS ARGONAUT MINE ON HIGHWAY TO SUCCESS NOW

General Manager Tells of Additional Ore Found by Drills

Argonaut Consolidated has addressed a progress letter to shareholders, giving in addition to the news about 875 and 1,000 ft. level developments, additional data on diamond drilling. Mr. Naud says that:

Not only are the ore bodies at the 875 and 1,000 foot levels richer, but further diamond drilling has proven the extension of these in values and volume at greater depth.

The mine has now ample ore in sight to warrant the operation of the mill at increased capacity on a profitable basis and at the same time continue the sinking shaft to lower levels with a view to even greater production with dependable profit.

In a few months two new levels will be opened to draw ore from at 1125 and 1250 feet. In the meantime, upper levels are being developed into larger producers and the company has evidence, as the result of diamond drilling, that additional ore bodies exist in the neighborhood of the present workings.

The year now drawing to a close has been a favorable one for the company, but 1927 will see Argonaut taking its place amongst the larger producers of Northern Ontario, says Mr. Naud, adding:

"Your board desires to point out that while gold production was the primary objective, copper is proving a source of additional tonnage and growing in value at the lower levels. While the gold ore is proving of exceptional richness, copper is also growing in value as depth is attained. It has been shown that the gold assays $12, while copper is averaging $18 to the ton in the last two ore bodies encountered at the 1,000-ft. level. The same ore bodies have been opened at the 875 and 750-ft. levels and traced down to 1,125 and 1,250-ft. levels now being prospected.

"Our mill is splendidly equipped to recover the full value of both metals and our engineer, Mr. D. R. Thomas, has attained great success in directing the treatment of the ore and securing the best possible results in values. While the gold is disposed of at a fixed price, the market price of copper is steadily improving. Taking all the factors into consideration I have no hesitation in stating that Argonaut is now on the highway to success."

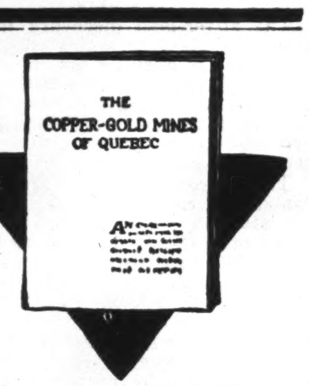
BIG DEVELOPMENT FOR OXFORD-COBALT

Company Has Financing Well Under Way—Changes Are Mooted

Plans are under way for financing Oxford Cobalt mine, in S.-E. Coleman, Cobalt district, and this will be followed by an aggressive exploration and development program.

The company owns 100 acres in that part of Coleman Tp. just north of Gillies Limit. There are two shafts on the property. The plans for large scale operations call for testing out the veins cut in the north shaft by lateral work at 150 ft. level. The south shaft will be deepened to the Diabase-Keewatin contact, about 500 ft. Diamond drilling has indicated a favorable condition at the contact, showing a fair silver content.

Some important changes are said to be contemplated by the company and the new financing plans will be gone on with. These changes are believed to be that strong Toronto interests will take a position in the company's affairs.



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BOSTON CREEK IS COMING TO FRONT RATHER QUICKLY

Number of Operations Steadily Increasing — Has One Producer

Boston Creek camp continues to command attention. Barry Hollinger and Gold Hill are the two leaders and are reported as making good progress. One hears a lot of skeptical remarks about these ventures, but this is generally always the case with a new camp. Some wont believe a mine is a mine until they see several years' production. It was the case with Porcupine and Kirkland Lake. Perhaps the exception is the Rouyn area.

Barry Hollinger has hard going, for one reason only, the ore shoots proved short. They had good widths and values and for a long time the company had a lot of heartaches. It is not entirely out of the woods yet, though the 1000-ft. level is said to be looking so good and the ore shoots are lengthening so well, that there is considerable jubilation among those interested. The mill is now handling 150 tons and the mine is said to have a couple of years ore ahead. One broker's letter recently put the case fairly. He said:

"While developing the mine, the Barry Hollinger officials have faced courageously many difficulties, but by careful financing and wise management they have now brought the property to a stage where we think it may be said that a mine is assured. Of what size cannot yet be stated, but present indications give the impression that it may be considerably larger than at one time appeared probable."

Gold Hill recently encountered some high grade on the 800-ft. level and the operation is said to be looking quite attractive. Details of the high grade find have not as yet been made public.

Hill Top, adjoining Gold Hill, is sinking and making good progress.

There are several other operations under way in the area. Boston Creek gold is in bankruptcy, but this move would seem to presage a desire to clean up the proposition from old, undesirable associations and to get away to a good start. If the property is put up for sale it would not be surprising if there was some lively bidding, despite the reports that it is not of much value. There are many who think the property has considerable merit.

CONIAURUM MINES

Coniaurum Mines is reported to have made an excellent discovery on the 1,250-ft. level.

TO DIAMOND DRILL BLOOM LAKE SILVER

Company Will Test Out Huge Hill Which Contains Many Veins

Financing has about been completed to provide funds for diamond drilling the Bloom Lake silver holdings of Bloom Lake Consolidated Mines. A short time ago a program of drilling was outlined by Horace Strong, M.E., following an examination and report on the group. Considerable surface work has been done on these holdings and interesting silver showings brought to light. In one test pit recently sunk, a narrow vein gave 2,000 oz. silver values. In seven test pits on the large hill west of the camp native silver has been found in three while in 21 veins stripped on surface showings have continued so favorable that the management has expressed the optimistic view that the whole hill may mill 40 oz.

Development on this property will be watched with interest. To the south is Haultain, which not long ago fell into good hands and on which a real mining effort is to be made. Development to date has been of a most encouraging nature.

RUBY SILVER ENCOUNTERED

Another series of small stringers has been cut in the crosscut being run out under the lake on the 155 ft. level of Peterson Lake property, Cobalt. There is a good sprinkling of Ruby silver. Not much can be done here until soundings are made of the lake bottom because of the danger of water.

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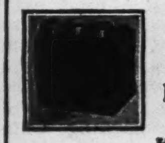
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MUCH GOSSIP IS GOING ROUNDS ON DUPRAT TP. DEALS

Rumors Involve Waite-Montgomery, Nipissing and Cons. Smelters

A lot of gossip is going on about Duprat Township, northwest Quebec. This is no doubt occasioned by the interesting and active groups in the township; to the valuable discoveries being made and to the fact that scouts of some of the big companies are said to have spent much time in the area.

Financial Service, Montreal, in discussing the matter, says that reports are to the effect that there is a movement under way in which strong financial interests seek to control a large part of the more favorable section of the Rouyn mining field. It adds:

"Noah Timmins is credited with a denial that a merger is under contemplation between Waite-Montgomery, Amulet and Towagmac. This possibility never received any very serious belief among mining men. However, there is very clear evidence that some of the properties which occupy favorable location in relation to the more highly developed properties are the objects of serious consideration. Among such properties as these is Duprat Mines.

"It has been learned that in the heavy trading in the shares of Duprat which has taken place during the past few weeks close to half a million shares have passed into the hands of a strong financial group who have never fully disclosed their identity. It is significant that one block of the Duprat property lies adjacent to Waite-Montgomery while another block owned by Duprat is close to Amulet. Other properties which occupy a part of this favorable central area are Consolidated Smelters holdings, McDougall, Cassells, Corona, Richardson, Area and others."

In Toronto suspicion seems to point to Consolidated Smelters. It is said that the company has now holdings totalling 22,000 acres in the Quebec field. It may thus be that Smelters is the active company in Duprat Township. It has a block of about 600 acres on which spectacular results have been met with. Adjoining this group is Corona on the south and this property, along the strike of what is considered to be a highly favorable mineralized zone, separates Smelters from the attractive Richardson-Bagshaw group in Boischatel and on which a 45-ft. copper discovery was recently made. Adjoining Smelters on the east is Amulet "A" group and on the north is the south group of Duprat and Nipissing.

If there was any more to acquire greater acreage, it would seem to be that the logical place would be along this favorable 2-mile wide mineralized zone, referred to in the recent Quebec issue of The Post, as it is very doubtful if Waite, Amulet, Nipissing or Smelters would sell or deal with any other concern, it would seem that the three important groups that might figure in a deal are the Richardson-Bagshaw, Corona or Duprat.

General indications are that this area is going to develop a lot of interest in Quebec mining in the next year.

Claims Which Yielded Big Silver Nugget in Deal

It is understood that U. S. interests have taken up the Price group at Borden's Lake, Gillies Limit, south of Cobalt. It was on these claims that the large silver float worth about $12,000 was found a couple of years ago and which developed a boundary dispute. Meanwhile, the sheriff held the nugget. This dispute, it is understood, is now settled.

Good news is now coming out on Dome. It is stated that diamond drilling has revealed a wide ore body on three levels, 16, 17, 18. This will be developed by a 2-compartment winze to the 2,375-ft. level.

South Keora Takes Up Olson in Gillies Limit

South Keora mines has taken over the Olson group of 80 acres in Gillies Limit, just below the S. E. Coleman boundary line in Cobalt area. This is about direct south of Kerr Lake. The company in writing shareholders state that the geology is Keewatin in contact with diabase, a geological condition which exists at many of the important producing silver mines of the north. The small amount of work done by the previous owners shows a strong vein of Cobalt type. Assays at depth of about 15 feet give, silver, 200 ounces. Additional values: Cobalt, 8.83 per cent.; nickel, 13.25 per cent.; arsenic, 36.44 per cent., making a total of over 58 per cent. in valuable minerals. South Keora started work on this property.

SPECTACULAR OLD PORCUPINE GROUP TO BE DEVELOPED

Furness Gold Mines Has Taken Over Whalen-James Claims in Delora

Furness Gold Mines, a Toronto operation, is undertaking the development of an interesting old property in Porcupine district. It was known as the Whalen-James and is on the Shaw-Delora Township boundary.

Interest in this property dates back several years when a small operation did considerable high grading and took out some rich and spectacular ore. In 60-ft. in one shaft $80,000 was taken out. A great deal of work has been done on the claims, there being 53 test pits and three prospecting shafts. There are 5 claims, 200 acres in the group.

The vein system on the property has been referred to as a remarkable one, there having been 23 different veins uncovered in the surface work done. In the main work done a considerable amount of telluride ore has been uncovered and three of the telluride ore family, sylvanite, lessite and calverite, have been recognized. Naturally, with such a content, values run high.

Jos. C. Houston, M.E., consulting engineer, made a report on the property and speaks well of its possibilities, stating that it warrants the expenditure of a considerable sum in development to demonstrate the possibilities of the high grade vein uncovered east of the dyke. He says the extremely high grade of the ore indicates the possibility of opening up merchantable bodies with depth, and it is well worth spending money on.

Mr. Houston advises cleaning up the old workings so that they may be sampled, and this should give information to enable an intelligent program of exploration to be laid out. He then advises the sinking of 100-ft. vertical shaft at the most advantageous point and ore bodies opened up at that horizon. If they open up in a satisfactory manner, as the surface values would indicate, further sinking and development along these lines can be continued.

Concluding, Mr. Houston, who is well acquainted with Porcupine, having been in charge of Dome operations for some three years, says, "The property is one of the best undeveloped prospects in that section of Porcupine camp."

Central Manitoba Mine Shares Offered Public

The first public offering of Manitoba mine shares in Ontario is being made this week. R. M. Harcourt & Co. are heading a syndicate that is placing the unsold portion of 1,000,000 shares of Central Manitoba Mines. The funds will be used to build a mill.

There are strong interests back of the venture. It was started by Wad syndicate of Winnipeg and Boston and later John Taylor & Sons, London, through their Canadian representative, Arthur D. Miles, of Toronto, purchased a minority or 49 per cent. interest and took over operating control. The property has been described for readers of The Post on numerous occasions and is considered to be an excellent mine. How big it will ultimately develop to be, is still problematical, but indications are, judging from the length and width of the mineralized zone and the values contained, that it will be a very big proposition.

It is announced that the funds from present issue will be used for mill and miscellaneous construction, electrify the mine equipment, further development of the property, add larger mine equipment and to provide working capital. The company has no mortgages or funded indebtedness. Authorized capital amounts to 4,500,000 shares of which 3,310,108 shares are issued, leaving 1,189,892 shares in the treasury. Officers include H. A. Wentworth, president; T. C. Anderson, vice-president; and H. C. Davis, Banker, Boston, treasurer, while other members of the board include Hon. Leonel Holland, chairman Mysore Gold Mining Co., Ltd., of India, chairman Ooregum Gold Mining Company, of India; H. C. Taylor of John Taylor & Sons, London, England; Chas. E. Valentine, vice-president Atlantic National Bank, Boston, Mass., and Arthur D. Miles, Canadian representative of John Taylor & Sons, London, England, director International Nickel Co. of Canada, director Anglo Canadian Explorers, Ltd.

Keora's Gowganda Group is Looking Much Better

The 150-ft. level of Keora property in Calcite Lake, Gowganda, is looking interesting. More or less patchy ore has been opened for 75-ft. In numerous places near the face ore in appreciable amounts occurs and there are 100-ft. of unexplored backs that offer good possibilities. Favorable structure has been found along a fault on the 200-ft. level and some interesting silver values have been met with.

All work is confined to a strongly faulted zone and this is said by engineers to be favorable in Gowganda camp.

Keora owns 2,000,000 shares in South Keora.

MINING STOCK QUOTATIONS
Week Ending November 23

	Par Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Nov. 23 Close	Sales for wk.	Range, 1925 High	Range, 1925 Low	Range, 1926 High	Range, 1926 Low
Amulet	$1	...	...	1.40	1.30	1.34	20680	..	..	1.67	.90
Algonquin	1	...	...	4¼	3½	4¼	48050	..	..	5	1¼
Apex	1	...	...	3½	3¼	3½	3000	3¾	2	6	3
Area	1	...	...	28	22½	25	48600	..	..	40	21
Argo. Con.	1	...	...	58	54	56½	291975	..	..	67	18½
Atlas	1	...	...	3½	2	2	17300	5	¼	5	1⅝
Baldwin	1	...	...	4¾	4	4¼	83000	7	1⅞	7	1
Barry Holl.	1	...	...	90	80	89	177070	50	18	1.00	.22
Beaver	1	...	...	57½	52½	57½	47500	57	25	94	52
Bellellen L.	1	...	...	21½	21	21	3700	..	..	23½	20½
Bidgood	1	...	...	6¾	6½	6¾	14000	16¼	4½	10¼	4½
Boston Creek	1	...	...	...	..	..	...	9½	4½	7½	2¼
Bourlamaque	1	...	...	1.33	1.29	1.31	65650	..	..	1.33	.66
Buckingham	1	...	...	3½	3½	3½	9000	5¾	2¼	4½	2
Can. Lorrain	1	...	...	72	66	68¾	68685	80	22	93	45½
Capitol	1	...	...	33¾	27	27½	53050	38	24	50	25
Castle Tre.	1	...	...	1.18	1.12	1.17	27350	1.60	.71	1.85	.91
Chaput H.	1	...	...	7	4¾	5¼	173900	10	4	31	6
Clifton	1	...	...	2	1⅞	1⅞	5000	26	2	6½	1½
Coniagas	5	...	...	4.50	4.30	4.40	1380	5.00	1.25	4.80	3.00
Coniarum	5	...	...	3.90	3.80	3.90	507	4.00	1.00	4.45	3.00
Col. Kirk.	1	...	...	2½	2¼	2¼	28700	10½	2	25	2
Cons. Smelters	25	3+3	2.38	252	237	251½	8459	183½	48½	254½	177¼
C. W. Dome	1	...	...	22⅞	21½	21¾	157032	25	10½	29½	14
Crown Res.	1	...	...	11	10¼	10¼	11400	55	15	24⅛	8
Corona	.	...	...	22¾	21¼	21¼	64200	..	..	22¾	20½
Dome Mines	None	2.00	18.60	11.00	9.60	10.75	17605	18.00	12.90	20.00	8.00
Don Rouyn	1	...	...	43	40	40	4800	..	..	61	25
Dupuy	1	...	...	...	..	..	...	..	..	..	..
Duprat	1	...	...	29	23	25	283275	..	..	29	10
Fiske	.	...	...	15	13	15	2200	..	..	16	11
Everett	1	...	...	4	3¾	4	15500	10	4	12¼	3¾
Goldale	1	...	...	35	31½	32	80800	37	14¾	43	24
Gold Hill	1	...	...	44	42	42	18800	..	..	73½	25
Gold Reef.	1	...	...	2	1¾	1¾	3000	2¼	1	5	1
Hill Top	1	...	...	22½	22	22	13000	..	..	31¾	21
Hollinger	5	26	6.95	18.90	18.40	18.70	1914	17.50	13.30	19.95	16.65
Indian	1	...	...	4	4	4	1000	17¾	3½	14	3¾
Int. Nickel, c.	None	2.00	5.40	38⅛	36¾	37	2345	..	..	46	33
Jay Copper	.	...	...	80¾	80½	80¾	22100	..	..	80¾	73
Keeley	1	24	15.19	1.62	1.56	1.58	8735	2.32	1.40	1.91	1.39
Keora Mines	1	...	...	13¾	12½	13	34700	..	..	22	12
Kirk. Hun.	1	...	...	30½	25½	28¾	149850	..	..	34	8½
Kirk. Lake	1	...	...	73½	67	71	130250	92½	33	144	69
Lake Shore	1	40	2.81	14.50	14.15	14.20	6010	10.00	4.51	15.10	9.60
Lakeside	1	...	...	4½	3⅞	4¼	248800	15¾	2½	10	1⅛
Laval	1	...	...	27¾	25	25	61200	..	..	44½	21
La Rose	1	...	...	7½	7	7½	10000	53	7½	38	4
Lorrain	1	...	...	3	3	3	1900	24	7	15	3
Lorrain T. L.	1	...	...	30	30	30	100	1.34	.85	1.10	.30
Macassa	1	...	...	38	33	35	30400	..	..	43	33
McKinley	1	...	...	14½	13	13	18600	42½	14½	26	8½
McIntyre	5	20	4.28	23.90	23.55	23.60	4310	22.70	16.00	29.75	22.70
Millcrest	1	...	...	4	3¾	4	2900	..	..	21	3½
Mining Corp.	5	5	9.09	2.78	2.70	2.75	5510	3.40	2.35	4.45	2.60
Montreal Ont.	1	...	...	35	30	35	600	..	..	60	9½
Moneta.	1	...	...	...	..	..	...	18¼	12½	18	11
Montreal Rouyn	1	...	...	...	..	..	...	..	..	..	..
Noranda	None	...	...	19.20	18.75	19.20	12872	..	..	19.55	14.20
Newray	1	...	...	...	..	..	...	44	17	45	31
Night Hawk	1	...	...	4½	3⅞	4	10500	49½	6	17	3⅞
Nipissing	5	12	10.71	5.99	5.48	5.60	4025	6.80	4.60	7.50	5.00
Ophir	1	...	...	...	..	..	...	..	..	4¼	1½
Pete Lake	1	...	...	8¼	7¾	7¾	6700	11¼	2¼	10¼	1¾
P. L. Cobalt	1	...	...	26½	23¼	24¼	129760	..	..	32	17
Porc. Crown	1	...	...	7	5	7	17500	8	2	10½	4
Porc. Keora	.	...	...	...	..	..	...	..	..	14½	3
Pioneer	1	...	...	1.22	1.09	1.14	68875	..	..	1.22	.66
Premier Gold	1	32	16.32	1.98	1.95	1.96	34025	2.58	2.19	2.75	1.90
Preston	1	...	...	7	5¾	5¾	25700	12	6½	9⅞	4
Rouyn	.	...	...	4	3	3	126900	..	..	8	1⅞
Rouyn, Que.	.	...	...	3½	1⅞	2	7100	..	..	4½	1¾
South Keora	1	...	...	25	20	25	16500	..	..	25	5
Stadacona	1	...	...	45	44	44½	62650	..	..	45	40
Teck Hughes	1	10	2.03	5.00	4.80	4.92	67192	3.00	1.23	5.00	2.64
Timiskaming	1	...	...	9½	8	8	2200	30	11½	14	6
Thomp. Krist	1	...	...	...	..	..	...	..	..	3½	1
Tough Oakes	1	...	...	60	55	59¾	290470	61	20	65½	36
Towagamac	1	...	...	5.10	4.55	4.80	28682	..	..	5.10	3.15
Vic. Silver	1	...	...	5	4½	5	2000	31	5	9½	3½
Vickers	1	...	...	1.06	1.04	1.06	27300	20½	3	1.06	.13
Vipond	1	...	...	1.66	1.57	1.60	27869	1.04	1.01	2.02	1.49
Wakenda	1	...	...	...	..	..	...	..	..	2¾	1
Wasapika	1	...	...	1	1	1	200	..	..	3	1
West Tree	1	...	...	3	2½	3	41500	5	2	3½	2¼
Wettlaufer	1	...	...	...	..	..	...	17	3½	10	2½
Wigwam	1	...	...	...	..	..	...	..	..	..	..
Wright Har.	1	10+22½	3.83	8.50	8.40	8.47	2950	7.95	4.15	9.60	7.75
Wigwam	1	...	...	...	..	..	.		..	32½	4
West Dome	1	...	...	...	..	..	...	..	..	24	16

We offer the unsold portion of

495,000 Shares

Being Part of an Issue of 1,000,000 Shares.

CENTRAL MANITOBA MINES, LIMITED

("W.A.D.")

Incorporated under the Manitoba Companies' Act.

***Head Office:* 511 Paris Building, Winnipeg, Manitoba**

AUTHORIZED CAPITAL .... 4,500,000 Shares.
Issued, 3,310,108 Shares .... In Treasury, 1,189,892 Shares
Par Value $1.00 Non-Assessable .... No Personal Liability.
No Funded Debt .... All Common Shares.

Officers and Directors

OFFICERS:

President, **HENRY A. WENTWORTH.**
Vice-President and Secretary, **T. CUTHBERT ANDERSON.**
Treasurer, **HOWARD CLARK DAVIS**

DIRECTORS:

HOWARD CLARK DAVIS, Financier, Boston.
HON. LIONEL HOLLAND, Chairman, Mysore Gold Mining Co., Limited, of India; Chairman, Ooregum Gold Mining Company of India, Limited; Chairman, Anglo-Canadian Explorers, Limited, London, England.
HENRY C. TAYLOR, of the firm of John Taylor & Sons, London, England.
CHARLES E. VALENTINE, Vice-President, Atlantic National Bank, Boston.
HENRY A. WENTWORTH, Consulting Mining Engineer, Vice-President, American Zinc, Lead and Smelting Company; Vice-President, Silver Dyke Mining Company, Boston.
T. CUTHBERT ANDERSON, Broker, Winnipeg.
ARTHUR D. MILES, Canadian Representative, John Taylor & Sons, London, England; Director, Anglo-Canadian Explorers, Limited; Director, The International Nickel Company of Canada, Limited; Formerly, President, The International Nickel Company of Canada, Limited, Toronto.

Registrar and Transfer Agents: Royal Trust Company of Winnipeg, Toronto and Montreal
Bankers: Bank of Montreal, Winnipeg.
Auditors: George A. Touche & Company, Winnipeg.
Solicitors: A. Murray S. Ross, Winnipeg; Berry, Bucknam & Lovejoy, Boston

Location

The properties of Central Manitoba Mines, Limited, are located approximately one hundred and twenty-five miles Northeast of Winnipeg, and within ten miles of the Ontario boundary, and embrace more than fifty whole and fractional Mining Claims owned by the Company, with two claims under option, all totalling approximately 1,500 acres. The Company owns an up-to-date Mining plant with buildings and accommodation for about one hundred men.

Development

Development work has been carried on to a depth of 500 feet, on the vein. Two major ore shoots have been disclosed, upon one of which the main, or Eclipse shaft, is sunk, which shows an ore-body approximately 1,000-ft. along the strike.

The second ore shoot is about 3,500 feet east of this, and is of considerably higher grade than the Eclipse ore-body.

Drifts have been driven at the 125 and 375-ft. levels from the Eclipse shaft, a winze sunk from the 375-ft. level, and a raise driven from the 375-ft. level to connect with a winze from the 125-ft. level. As a result of the development to date, the Engineers of the Company report that sufficient ore has been proven to warrant the erection of the first unit of a mill during the coming Winter. The mill will be designed with a view to further enlargement as soon as sufficient underground development can be completed to maintain it.

Management

This enterprise is the result of a Mining Exploration Company in Manitoba, headed by the "WAD" Syndicate, composed of Henry A. Wentworth, T. Cuthbert Anderson, and Howard Clark Davis. Claims in the vicinity of Long Lake and Bulldog Lakes, Manitoba, were acquired by purchase and staking by the "WAD" Syndicate. When the major ore shoot was uncovered, this group of properties was incorporated under a Dominion Charter.

Diamond Drilling and active development proceeded during the years of 1924 and 1925. A complete mining plant and necessary equipment was shipped in during 1924, and during the early part of 1925 development had approximately reached the 375-ft. level, when the important Mining house of John Taylor & Sons, of London, England, through one of its companies, the Anglo-Canadian Explorers, Limited, acquired by purchase a substantial interest in this enterprise.

Development continued vigorously for the next year, and during the early part of the present year a consolidation was effected, by which Central Manitoba Mines, Limited, acquired the eastern and western sections, along the "WAD" zone, consolidating most of the area for a length of approximately two and a half miles and a width of nearly one mile.

The Company has within its Directorate the ablest of mining talent. John Taylor & Sons who have been operating mines for over a century and in Pre-Cambrian areas in India for over 40 years, will assume active management of the company.

Summary

Area approximately 1,500 acres; length of break 2½ miles. Shaft: Main, or Eclipse shaft, down 440-ft.; Growler shaft 120-ft.; Tene 6 shaft 60-ft.; distance along strike between Growler and Tene 6 shafts 1½ miles; drifting over 2,500-ft. Ore Shoots: Kitchener 906-ft. length; 5.1 ft. wide, grade $11.45 per ton (Pryor's Report); Tene 6, 155-ft. known length, dips into swamp, 19-ft. wide at this point, grade $20 per ton; average width 15.5-ft; drifting on vein depth of 60-ft. just started. Rogers vein parallels Tene 6, vein 500-ft. to southeast, 1½ to 2-ft. wide, undeveloped, but shows grade $100.00 per ton. Another parallel vein 250-ft. to the north, carrying commercial values just found, but not opened up. Growler shaft: Shaft down 120-ft. on narrow lenses of high-grade ore. Ore in sight $1,100,000, grade $12.00; proposed mill capacity 150-tons daily, with housing and crushing capacity of 300-tons daily, to permit of increase at minimum cost. Power line from plant of Manitoba Power Company to be completed October 1st, 1927. John Taylor & Sons will assume management. The entire proceeds of this issue will be used exclusively to provide funds for mill and mine equipment, mine development, power, roads, and working capital. There are no mortgages or funded indebtedness.

Working Programme

It is the intention of the Company to continue the development of the property to deeper levels, and also to open up the new high-grade sections of the zone 3,500 ft., or more to the east of the Eclipse shaft; and also to open other ore shoots on this extensive vein system.

The Manitoba Power Company, with a potential capacity of 168,000 H.P., will construct a power line from its plant at Great Falls to the property, and have power ready for delivery at the mine not later than October 1st, 1927, at very favorable rates to the Company.

The present issue of 1,000,000 treasury shares is to provide funds for mill and miscellaneous construction, electrify the mine equipment, further development of the property, add larger mine equipment, and to provide working capital. The company has no mortgage or funded indebtedness.

Price Par: $1.00 per Share

It is the intention of the Company to make application for the listing of these shares on the established Exchanges in Canada.

Orders may be telephoned or telegraphed at our expense.

BONGARD & COMPANY
Members Toronto Stock Exchange
244 Bay Street Toronto

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Members Toronto Stock Exchange
24 King Street West Toronto

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The statements contained herein are based upon information which we believe to be reliable, although we cannot guarantee their accuracy.

EXTENUATE GOLD MINES

In the heart of the Portland Canal District, adjoining B.C. Silver and National Silver holdings

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WAINWRIGHT HAS GAS

Wainwright, Alberta, is now being supplied with gas, the supply being piped from Maple Leaf well at Fabyam.

Mining Inquiries

Extenuate

"I am asked to buy Extenuate shares, a B. C. mine. When will it produce? What are its ore reserves?

This is a speculation. Property well located in Portland Canal area, in close proximity to Premier, B. C. Silver and National. In fact all four may be on same mineralized zone. On location alone it looks attractive, and it is understood there are some good showings. It is not a proven mine, nor has it ore blocked out. If it had, we doubt if the company would be selling stock. Those behind the venture are reputable, and have good management, which should ensue speculators a run for their money.

Arntfield Syndicate

I am told that Dome, Keeley, Mining Corp., Premier, Noranda, Barry Hollinger, Teck-Hughes, Argonaut, Tough Oakes are good investments. How about U. S. Motor stocks?

Arntfield Syndicate owns a very large amount of ground, well situated in the Quebec mining area. They have spent considerable money on exploring the claims but as yet I don't think they have worked out a definite policy in regard to the financing and development of these groups. If you are in a position to purchase some of the stock and hold it for a period of years, it might reasonably work out that you would get a very large profit on your speculation. The properties are not proven but they have prospects which justify the expenditure of considerable money to prove or disprove them.

Duprat

Have they got any values on Duprat's south group of claims. What are they doing? Have they a good engineer? Where are shares listed?

In a prospecting shaft on the south group of Duprat claims in N. W. Quebec, massive copper said to run 20 per cent. has been encountered at a depth of 20 ft. It is not intended to do further sinking but to await the results of the Swedish Electrical survey and diamond drilling, so as to avoid any waste effort and expenditure. There are rumors about amalgamation of groups surrounding Waite-Montgomery and this has focused some attention on Duprat's north group.

Duprat shares were recently listed on Standard Stock and Mining Exchange and were previously traded in on Montreal Mining market. Jos. Houston, M.E., consulting engineer, stands high in the mining industry.

Dome

Dome is again above $11. Is the merit of the mine putting the stock up?

An old engineering friend recently said that to speculate in Dome one should figure out the obvious move of the stock and then do the opposite. That was his experience. He paid to learn it and since the light dawned he has made money. The guess on Dome would be that the insiders loaded up with cheap stock around $8 and $9 and now want the price up to sell back to the public at higher levels. We pointed out some time ago, when the shares were below $9, that bits of good news would likely start to filter out when the insiders changed their market position. It was to be noted that "thunders of silence" marked the Dome position while the stock was easing. It is evident now that the "bear" position has given way to a "bull" and immediately favorable comment and information starts to make its appearance.

Wright Hargreaves

I bought some Wright Hargreaves and might buy more. Is it good?

Wright Hargreaves is one of the rich producing mines of the Kirkland Lake area which is assured of a very excellent future. Stock is held in large blocks in Buffalo, and there is not a very large amount available on the market.

Warns Against False Peterson Lake Reports

Pres. W. A. Lamport, Peterson Cobalt mines, has written all shareholders warning them against reports that the shares are being withdrawn from trading. He says:

"It has come to our attention that a false report is being circulated among shareholders to the effect that the shares of Peterson Cobalt Mines, Ltd., are to be withdrawn from trading on the Standard Mining Exchange. This false report is being used to induce stockholders to sell their shares. The stock which is being taken off the board is that of the old company, Peterson Lake silver Cobalt Mining Co., Ltd., which has surrendered its charter and becomes extinct, having sold all its assets to Peterson Cobalt Mines, Ltd., the new company, the shares of which will remain listed and traded in on the exchange.

"Splendid results are being obtained at the property and ample funds are in the treasury to continue development for approximately one year."

RUSHING CABOT TP. ROAD

The new road connecting Porcupine-Kirkland's Cabot Twp. group with Westree R. R. station on the C. N. R. is more than half way through and should be completed within two weeks. A record for speed has been made in the construction of this road.

Copper West of Timmins

Much interest is being taken in the reported discovery of copper values 20 miles west of Timmins. Quite a stampede of prospectors to the area has taken place.

GOLD-COPPER IN EAST ONT.

A copper-gold discovery is reported to have been made in Raglan Tp., Renfrew Co., Ont. It is said that values run $20 in gold and 4 per cent. copper.

ANOTHER BEAVER ACTION

J. B. Tyrrell has issued a writ for libel against the old Beaver board because of assertions made in a circular sent shareholders during the recent Beaver contest for control.

Gold Hill to Build Mill During Winter

Gold Hill, Boston Creek, is opening up two new veins by drifting on the 800-ft. level. These are 60 ft. apart and one of the veins in particular is opening up well. Formation for the new electrical plant are in and should be ready to operate in December. The new compressor will be 12-drill capacity. Gold Hill management has mill plans under way and will likely go on with construction this winter with a view to getting into production early in 1927.

Corona Financing Deal is About Completed

Another N. W. Quebec company with holdings in the interesting Duprat, Boischatel section of the camp, has listed its stock in Montreal and may list in Toronto later. Meanwhile the shares are being traded in around 20 and 21 cents.

Corona group is in the S. E. corner of Duprat, right on the Boischatel boundary. Smelters, Area, Grover-Daley, Vickers, Boischatel Development and Richardson-Bagshaw groups, have focused attention on this mineralization section which has attracted considerable capital and is now quite active.

Jos. Houston, M.E., recently reported on the group. A deal is in the course of completion at the present time through which the company will be assured of sufficient funds for development purposes.

Keeley Silver Mines new ore shoot on Vein 16 has been opened for 35 ft. and, over a width of 42 inches, gives values of 50 ounces.

SPENDING $750,000 ON MILL FOR 90-DAY TEST OF FLIN FLON

(Continued from page 33)

mean that active operations will not take place for three years.

The development of electrical power is also under advisement and no doubt will be commenced as soon as the test is completed.

Sherrit Madol property, Coal Lake, which was under lease and option to Messrs. Fasken and Earle, of Toronto and New York, has been dropped, owing to a disagreement. The second payment on the option was not made although they spent $65,000 on diamond drilling, which proved up an ore body 15-ft. wide and over two miles long, with an estimated tonnage of 6,000,000 tons of $18.50 copper-zinc ore. However, the day following the lapse of the Fasken-Earle option the Victoria Syndicate stepped in and took the option over.

They will instal 3 diamond drills as soon as travel will permit. This property consists of 46 claims and has a length of nearly 3½ miles on the strike of the vein system.

The Baker-Patton property, which is 11 miles east of the Flin Flon, will also be drilled. There are 12 claims in this group, and trenches have disclosed iron dykes containing some copper with widths of 300 feet and over, and by many it is considered one of the outstanding prospects. It is to be drilled this winter, as the property is now under option to New York interests. Three diamond drills will be operated.

The outstanding feature of Northern Manitoba's development lies in the fact that all the work being carried on is in the hands of large operators and it will not be necessary to go to the public for funds, thus assuring a development upon purely mining standards.

CANADA COMING AHEAD OF ALL IN MINERAL PRODUCTION

(Continued from page 33)

of a character that must have an important influence on the future.

Apologizing for trespassing on your space, and thanking you in anticipation.

Yours faithfullv,
(Signed) H. S. DENNY,
President, Mentor Exploration & Development Co.

The article which appeared in The Post recently and which Mr. Denny refers to was as follows:

Leading Imperialists are disturbed over the fact that so far London has accorded no recognition to Canada's position as a gold producer. They contend that insofar as London is concerned, Canada is non-existent as a gold producer.

Keynes seems to have crystalized London opinion a few years ago when he declared that the past 25 years had failed to reveal a gold discovery of importance.

Keynes' fallacy evidently has its influential supporters. The Memorandum on Currency and Central Banks of League of Nations, (1925) made no mention of Canada in listing gold producers. Keynes or those who see eye to eye with Keynes, are believed to have been rsponsible for this snub. It has been corrected in the 1926 edition. London's spleen remains.

The only favorable attention London has even given Canada's gold industry has been to take up blocks of stock in some of the coming propositions and then scalp the market by selling the stock back to Canadians at a much higher figure. The first instance known of this was in Hollinger. The last instance was in Kirkland Lake Gold.

Never a Good Word to Say

London engineers have never had a good thing to say for Northern Ontario's gold mines. They condemned Porcupine from the start. They had the first opportunity in Kirkland Lake. They rejected both.

Perhaps it is pique over the loss—perhaps it is resentment over the fact that in both instances they were wrong, that has lined them up as enemies of Canada's gold industry.

An engineer named Wilkinson, who is reported to have visited Canada in 1923 for South African interests, is said to have predicted that Hollinger would be through by 1928. He is said to have made the remark at Geneva, where he attended as a South African delegate, that Canada had nothing in the way of gold deposits.

He may be right about Hollinger. He may be endowed with a faculty that would be real valuable in mining, the power to see through the rocks and see where values are going to end. However, figures on Hollinger earnings and reserves for the past few years, at least leave the impression that he may be wrong.

Meanwhile Canada must bestir itself regarding the London position.

Premier King may get the opportunity to say something in this regard.—Exc.

"Inevitably —why not Wisely?"

THE fact that the business of a whole nation is on the march is seldom perceived until the movement has become a rush. This seems particularly true of Canada to-day; that the return of prosperity is like the incoming of a tide on an open coast. Almost imperceptibly advances are made and, even while depression is being preached, the forward movement gains momentum until suddenly it forces its active attention and its benefits on every household and in every business in the country.

The same thing is especially true of the movements of mining development. Booms have come and gone, and usually these have centred around a particular point, but the last three years have marked an accumulation of accomplishment along a great front, stretching from Manitoba to Gaspe, so steady and consistent that the whole country is beginning to realize that a great and sustained attack is under way which, in all probability, will last for generations and turn this country into the world's greatest producer of metals.

Sooner or later everyone will be compelled into interest in mining—for better or for worse—so surely that I am tempted to paraphrase a well known advertising slogan and say, "Inevitably—why not wisely?"

To those who feel that that is more easily said than done I venture, out of a long period of observation of mining successes, to offer a few suggestions.

The average investor is almost wholly dependent upon the integrity and ability of those conducting a mining operation. Luck does undoubtedly play a part in mining as in any business, but it stands to reason that a company ably directed and conscientiously determined to make every dollar produce the maximum of effort towards the single goal of actual mineral production must, of necessity, have the best chance of success. The standing of those in charge of an operation can be ascertained.

It is also possible to find out something of the methods of financing and what proportion of each dollar paid for stock goes towards the actual work of locating and producing mineral—the only way in which a mine can be made a paying proposition. In such matters the wise choice has the better chance of being a happy and a profitable choice.

But how can the uninitiated secure this information? There are many sources but I believe that the safest guide is a man's own bank manager. In any industrial proposition or general investment the bank manager would undoubtedly be consulted. He, through his knowledge of ways and means, is in a position to find out those facts of personnel and capitalization upon which success so much depends, and I believe that such consultation in the matter of mining stocks would help greatly in making the proper choice. It is obvious from the statements of leading bankers, and the advertising of leading banks, that they are fully alive to the part mining will play in the development and wealth of this country, and they have always shown a disposition to help make any industry safe for capital.

A mining industry safe for capital will provide a means of individual enrichment beyond anything that Canada has ever experienced.

Robert Harvie *President*

Harvie Mining Exploration Company, Limited

Canada Cement Building
Montreal, November 24th, 1926